

# Results for the Fiscal Year Ended May 2010

---

## Presentation Material

**Pasona Group Inc.**

**First Section TSE (2168)**

**July 21, 2010**

**[www.pasonagroup.co.jp](http://www.pasonagroup.co.jp)**

## Trends and Conclusion of Revisions to the Worker Dispatch Law

Deliberations on the draft revision of the Worker Dispatch Law carried forward

- Submitted to the 174th Ordinary Session of the Diet; Deliberations carried forward due to Diet adjournment
- Plan to optimize and adjust temporary staffing in connection with 26 specific types of work



Secure diversity in work styles

While there exists the need to correct discrepancies in compensation, this is not related to any issue with the temporary staffing concept or mechanism

### Main Features of the Draft Revision of the Worker Dispatch Law

(Cabinet approval on March 19, 2010)

#### Tightening Business Regulations

- Registration type worker dispatching to, in principle, be prohibited (excluding 26 specific types of work; replacement personnel for individuals taking maternity leave; elderly workers; employment placement)
- Dispatch of workers to the manufacturing industry to, in principle, be prohibited (excluding regularly employed worker dispatching (employment exceeds one year))
- Daily (on-call) worker dispatching (employment period of less than two months) to, in principle, be prohibited
- 80% of worker dispatch within group companies to be regulated; the acceptance of a worker as a dispatched worker to be prohibited in those cases where the subject worker has left the services of the receiving firm within a period of one year

#### The Indefinite Employment of Dispatched Workers and Improvement of Compensation

- Steps to place a mandatory obligation on worker dispatch companies to promote measures aimed at shifting toward an indefinite employment term
- Consider mandating parity for all dispatched workers across all client companies with respect to the same tasks when determining employment compensation for dispatched workers
- Open disclosure of the margin rate to be mandatory
- Clearly specify the amount of compensation payable on an individual dispatched worker basis at the time of employment

#### Steps to Address the Illegal Dispatch of Workers in a Timely and Appropriate Manner

- In the event of the illegal dispatch of workers, the client company shall be deemed to have sought from the dispatched worker an employment contract
- Establish a criterion of eligibility for authorization and approval to engage in worker dispatch activities in efforts to prevent the avoidance of remedial action

Note: Decree by government ordinance that the enforcement date shall not exceed six months from the date of publication; in principle prohibition with respect to registration type worker dispatching and the dispatch of workers to the manufacturing industry shall be within three years (a moratorium period of a further two years to apply from the enforcement date for certain operations of registration type worker dispatching)

# 1. Summary of Results for the Fiscal Year Ended May 31, 2010 (FY2009)

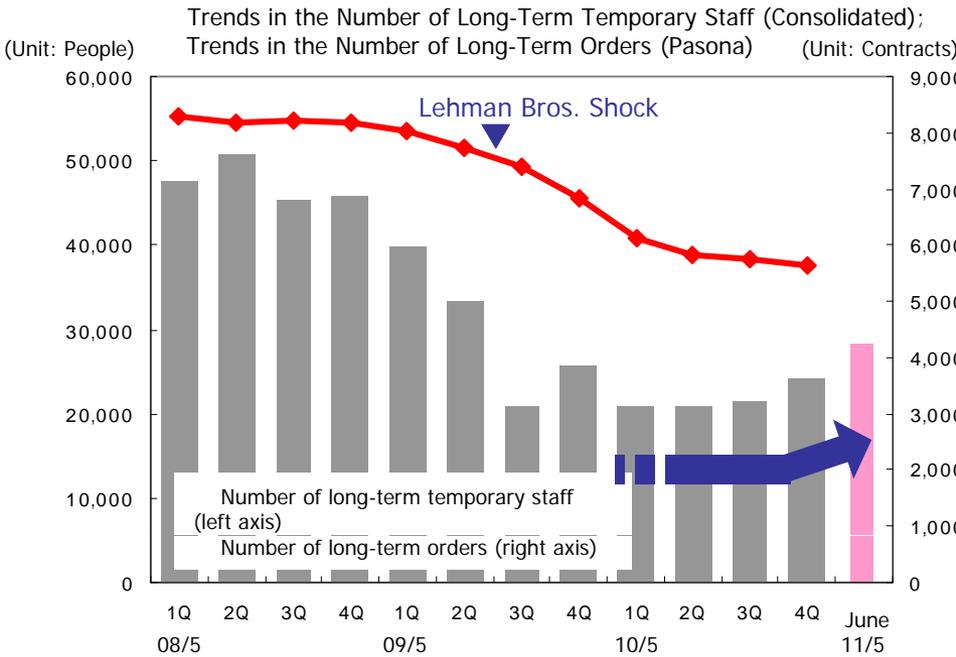
---

## Temporary Staffing

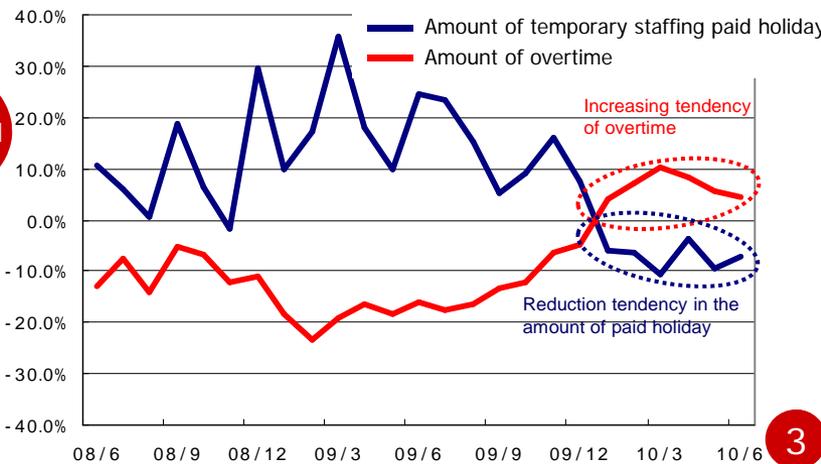
### Overview

- Long-term orders: decline bottomed out with a persistent stagnant trend recent signs of a positive turnaround
- Number of long-term temporary staff: Signs of a bottoming out, however, yet to witness a positive turnaround
- Completion rate: 09/5 Q4 11.4% ▶ 10/5 Q4 9.0% (-2.4pt)
- Pickup in the take-up of paid leave as well as overtime from the beginning of the year

➔ Causes for a positive turnaround falling into place; recovery, however, forecast for 11/5



Trends in the amount of the take up of paid holidays per each temporary staff; Trends in the amount of overtime (YoY)



Developed a platform for strengthening specialized (technical) temporary staffing

· July 2009: MITSUI BUSSAN HUMAN RESOURCES CORPORATION (trading)

February 2010: AIG Staff Co., Ltd. (Language)

· Since June 2009 : Pasona Tech, Inc. included in the Group's scope of consolidation as a wholly owned subsidiary company by way of TOB

Acquired

**Priority**

**Insourcing (contracting)**

Impact of revision to the Worker Dispatch Law ▶ Increase in the changeover to Insourcing

Continued push forward in the cultivation of HR consultants and project managers

Launched a "Public-Sector Business Department" within Pasona Dotank Inc. Effectively function across wide-ranging areas including Group collaboration as well as the collection and collation of information

Increase in contract services including regional public authority emergency employment (Sapporo City, Chiba City, Aichi Prefecture, Mie Prefecture, etc.)

➔ Focus on the accumulation of know-how and human resource development; Continued efforts toward further expansion throughout 11/5

**Priority**

**Outplacement**

Commission contract for outplacement support of over 20,000 individuals nationwide (FY2009 actual results)

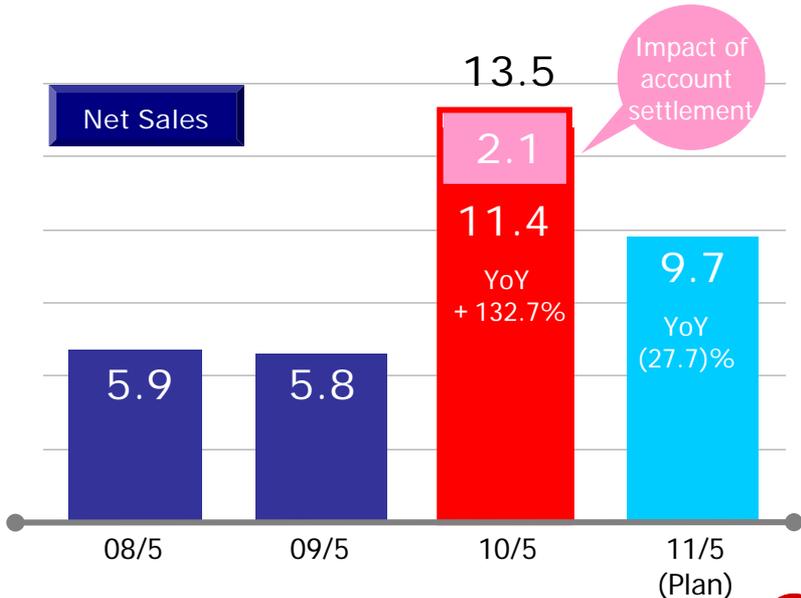
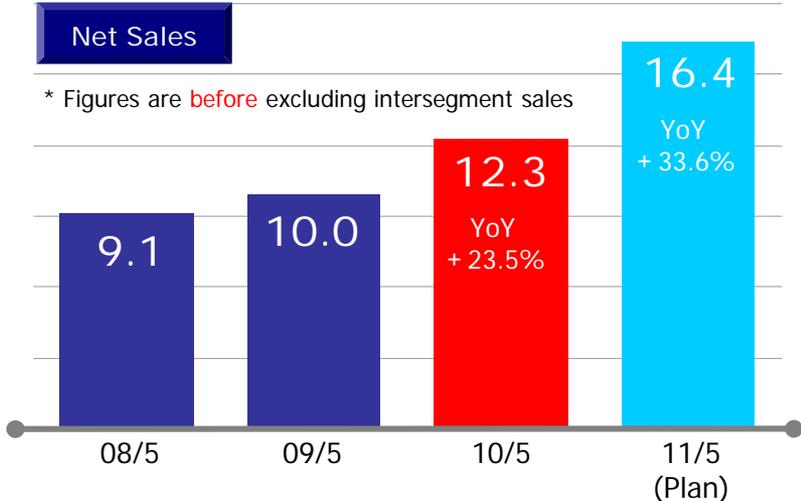
Achieved record high results

Forecast of a drop in orders in 11/5 due to a round of restructuring; focus on a definitive and quick turnaround in outplacement decision-making

Impact of irregular account settlement; change in net sales accounting criteria (appropriation from nine months 10 months); forecast of a drop in revenues and earnings)

➔ Build relationships with long-term customers based on respect and trust as a leading company

(Billions of yen)



## Accelerate Business Reorganization

Accelerate business reorganization with the dual aims of enhancing business and operating efficiency and bolstering the sales and marketing structure

Bolster the Group's collective and integrated strengths

## Cost Reduction

Continue the reduction of costs Companywide (-7.66 Billion of yen) (Billions of yen)

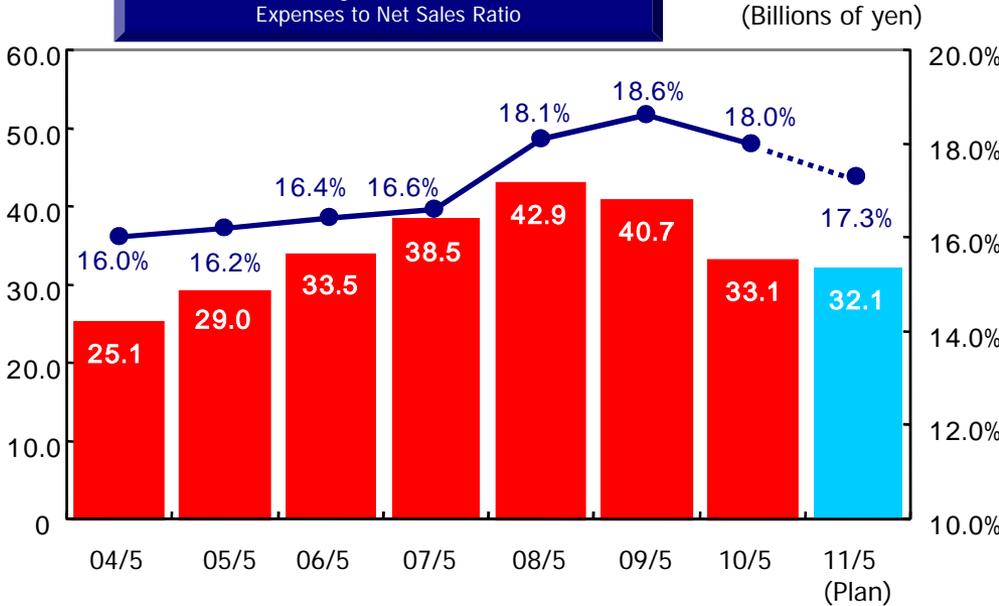
	(09/5)	(10/5)	(11/5 Plan)
· Personnel expenses	21.9	18.9	18.2
↳ Efficient allocation of personnel; impact of cost of sales transfer			
· Advertising and recruitment expenditure	2.3	0.8	1.0
· Rent	4.9	4.2	3.5
↳ Branch scrap and build; consolidation			

Target SG&A expenses to net sales ratio of between 17 and 18% for 11/5

## FY09 Business Reorganization

- Since Jun. 2009 Inclusion of Pasona Tech, Inc. in the Group's scope of consolidation as a wholly owned subsidiary company by way of TOB
- Jul. Merger with MITSUI BUSSAN HUMAN RESOURCES CORPORATION
- Jul. Merger with two Benefit One Inc. subsidiaries
- Feb. 2010 Acquisition of AIG Staff Co., Ltd. and inclusion in the Group's scope of consolidation as a subsidiary company
- Mar. Integration of Pasona Inc. and Pasona Career Inc. Additional acquisition of the shares of Pasona Kyoto Inc. and Pasona Nagasaki Inc.; companies included in the Group's scope of consolidation as wholly owned subsidiaries
- Apr. Integration of Pasona Sparkle Inc. and Pasona Sourcing Inc.

## Trends in the Selling, General and Administrative Expenses to Net Sales Ratio



# Consolidated Results for the Fiscal Year Ended May 31, 2010

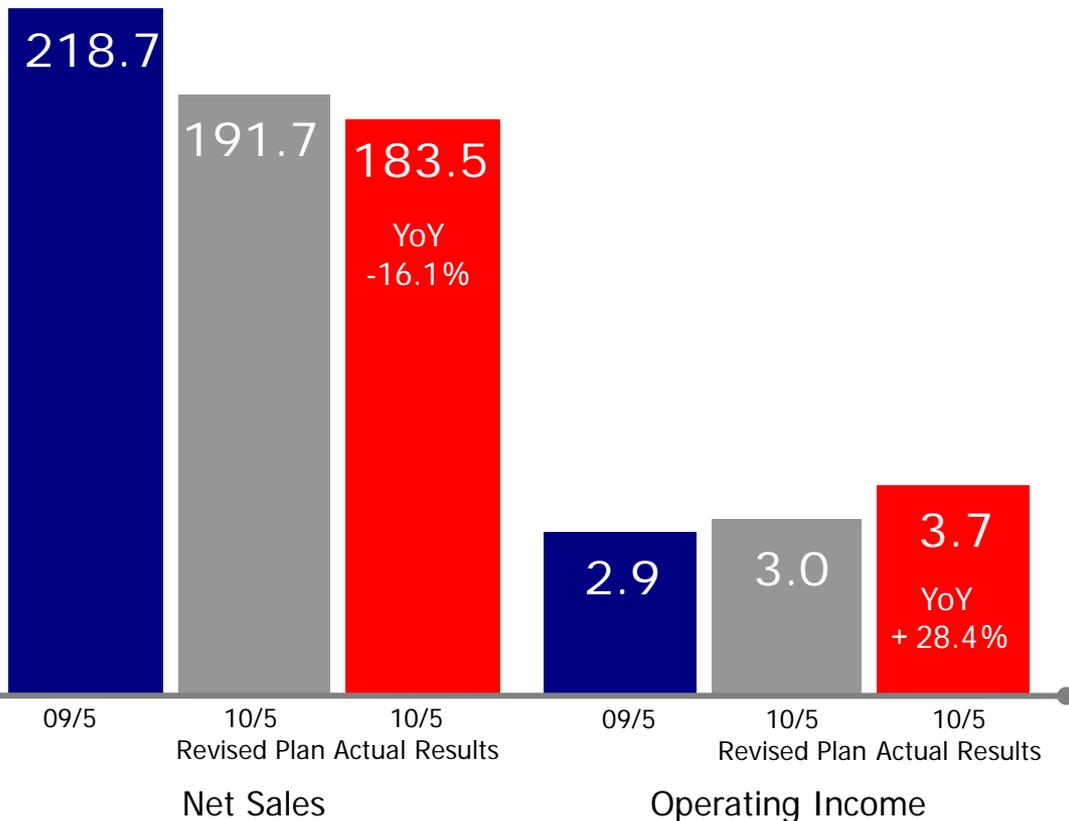
Decrease in net sales of 16.1% due largely to the drop in Temporary staffing / Contracting and Placement / Recruiting revenues

Robust results in the Outplacement business lifts profits; improvement in the gross profit margin (19.9% → 20.0%)

Substantial decline in SG&A expenses owing mainly to successful efforts to enhance efficiency and cut costs;  
increase in earnings with both operating income and ordinary income up

Decrease in net income of 34.5% primarily reflecting the impact of the reversal of deferred tax assets;  
net income level reached, however, in line with plans

(Billions of yen)



(Millions of yen)

Consolidated	09/5	10/5
Net Sales (YoY)	218,699	183,515 (-16.1%)
Cost of Sales	175,114	146,784 (-16.2%)
Gross Profit	43,585	36,731 (-15.7%)
SG&A Expenses	40,735	33,070 (-18.8%)
Operating Income	2,850	3,660 (+28.4%)
Ordinary Income	3,361	4,044 (+20.3%)
Net Income	312	204 (-34.5%)

## Further Expansion of the Insourcing and Outsourcing Businesses

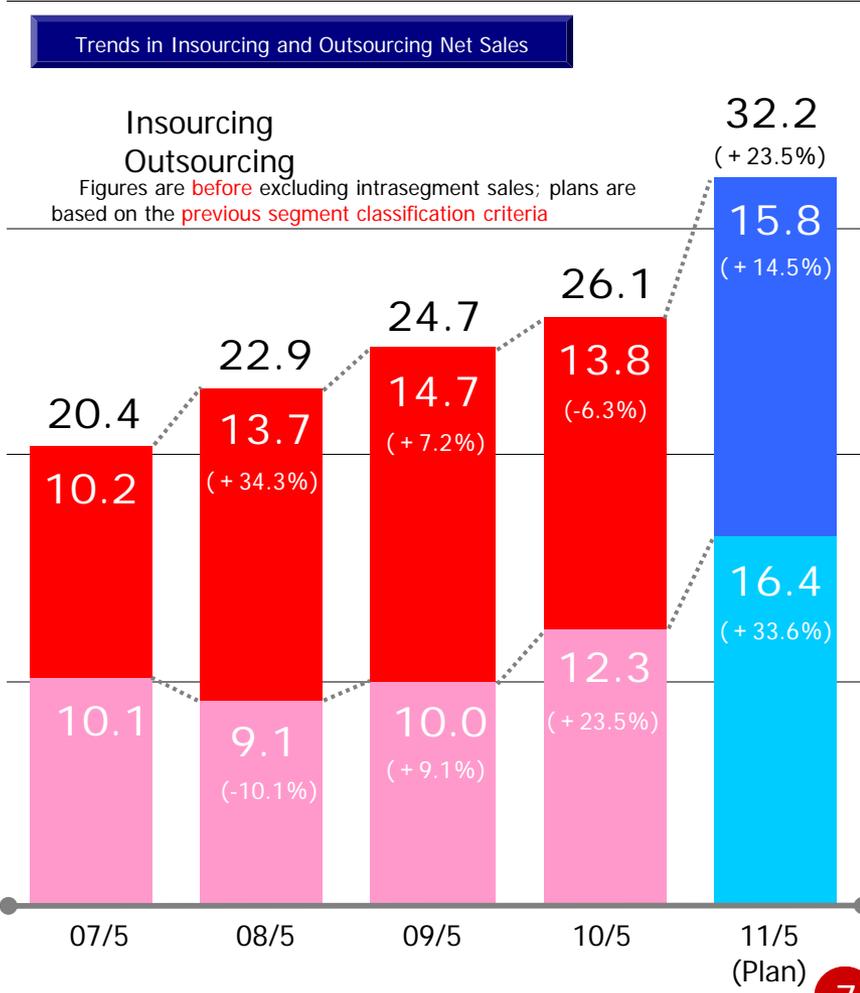
- Build a service infrastructure
  - Upgrade and expand service menus
  - In addition to new menus (business trip travel expenses, etc.) provide solution package services (cost reduction solutions, IT solution packages, etc.)
- Cultivate human resources (HR consultants, project managers)

Respond in a total and comprehensive manner from Consulting through to the provision of services

- Strengthen sales and marketing in the public-sector market
  - Drawing on transaction performance and results with over 100 public authorities and over 300 public interest corporations nationwide, strengthen sales and marketing in the public-sector market

- Expand retail services (targeting small and medium sized enterprises)
- Management revitalization partners commence operations in earnest [www.pasona.co.jp/biz-partners/](http://www.pasona.co.jp/biz-partners/)
- Promote the development of new menus

(Billions of yen)



Promote Increased Sophistication and Specialization in Expert Services (Temporary Staffing) Activities

Expand specialized (technical) temporary staffing area

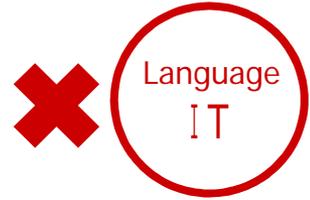
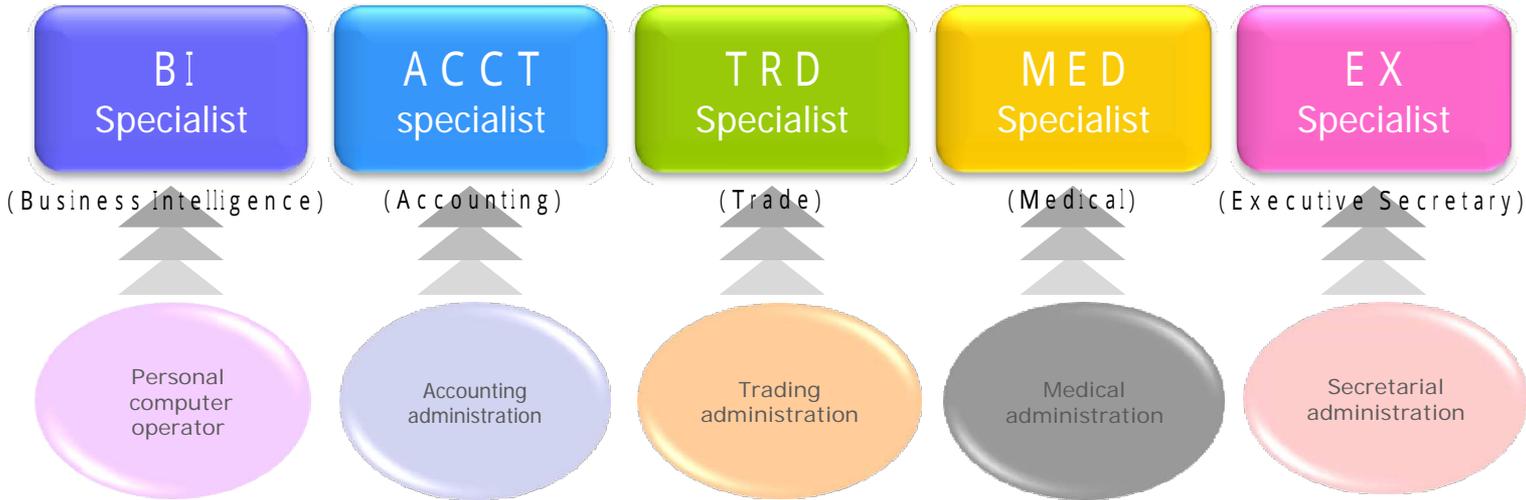
September 1, 2010: Integration of AIG Staff Co., Ltd. into Pasona Inc.

➔ In one stroke expand sales and marketing area utilizing Pasona's nationwide branch network

Commence in earnest a development program for specialist staff

Secure and develop high-performance staff in specialist job types in line with increased sophistication in job domains

Provide support to employees seeking a career change from other job types



Promote Group Sales and Marketing Focusing on the Group's Core Comprehensive Base

The launch of the Pasona Group headquarters endeavoring to support all those who work. The Group's headquarters is evolving into a must-see landmark!!

Established an integrated Group base (December 2009)

Group Metropolitan Area      Housing 14 companies and 29 bases

➔ Forcefully promoting a "One Pasona" Group sales and marketing approach

Serving a Group service showroom function

- "Pasona Family" day-care center for children
- The Art Village Workshop, Otemachi" supporting employment of the disabled
- "Tokyo amalgamated branch" providing shared services
- "Urban Farm" delivering support to agricultural employment

➔ Increased levels of novelty, the ability to appeal and attract and notoriety!



Pasona Group Integrated Base  
Address: 2-6-4 Otemachi, Chiyoda-ku, Tokyo  
Access: JR Tokyo Station; Tokyo Metropolitan Otemachi Station, Nihonbashi Station, Mitsukoshimae Station

# Some 100,000 new graduates are unable to find work

If this is allowed to continue, Japan as a nation whose most valuable asset is its human resources will perish

### Project Facilitators (in order of the Japanese syllabary)

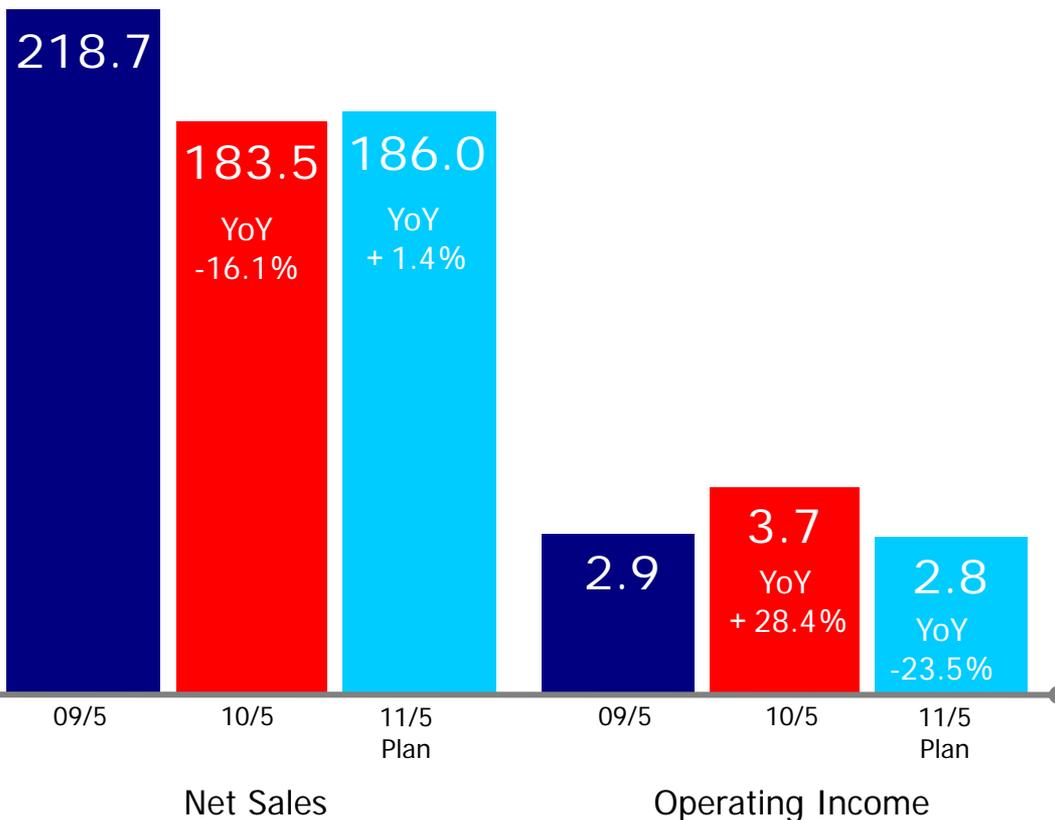
- “Gather round you leaders of tomorrow”  
Yasushi Akaishi (former Undersecretary-General of the United Nations)
- “Let’s advance together with the younger people of Japan charged with the responsibility of taking the nation forward”  
Yuichiro Anzai (previous President of Keio University)
- “The younger generation brought up under this system form the bold warriors capable of succeeding under adverse conditions”  
Nobuo Ishihara (former deputy chief cabinet secretary)
- “A king and gentle heart is a power of strength” Sanshi Katsura (comedic storyteller)
- “The temperament of the new species will change society, change the world and build the future”  
Kiyoshi Kurokawa (previous chairman of the Science Council of Japan)
- “We are in an era that is bringing into question the human sensitivities and emotions of each and every individual” Junko Koshino (fashion designer)
- “Dream!! Aspire!! You can do it” Heizo Takenaka (professor, Keio University)
- “Holding high expectations of the many young people of today to excel on the world stage”  
Koichiro Matsuura (previous Director-General of UNESCO)
- “The potential of today’s youth will determine Japan’s future”  
Etsuya Washio (former General Secretary of the Japanese Trade Union Confederation)

### Pasona Group Initiatives

1. “New Graduate Career Support Program” March 2010 - Working as a Pasona employee, and to ensure a continuous career after university graduation, prepare for the next step up and career advancement while accumulating work experience
2. Small and Medium Enterprise Agency “New Graduate Employment Support Project” commission contract
3. Regional public authority new graduate emergency employment project commission contract  
(Sapporo City, Chiba Prefecture, Gifu Prefecture, Aichi Prefecture, Okayama City, Hiroshima Prefecture, others)
4. “Academic Work Café” commission contract  
(Baika Women’s University, Kansai Gaidai University, Kyoto Sangyo University, Kobe Gakuin University)

Forecasts of a recovery in demand in the Temporary staffing business; expansion in the Insourcing and Outsourcing business  
 Expectations of a drop in revenues and earnings in the Outplacement business due mainly to a round of employment restructuring  
 Despite ongoing efforts to reduce costs, unlikely to fully cover the depth of earnings decline in the Outplacement business;  
 projections of a decline in both operating income and ordinary income  
 Asset disposal liability (past liability) to be posted as an extraordinary loss; no additional extraordinary factors anticipated; as a result,  
 forecast of an increase in earnings in the form of higher net income

(Billions of yen)



(Millions of yen)

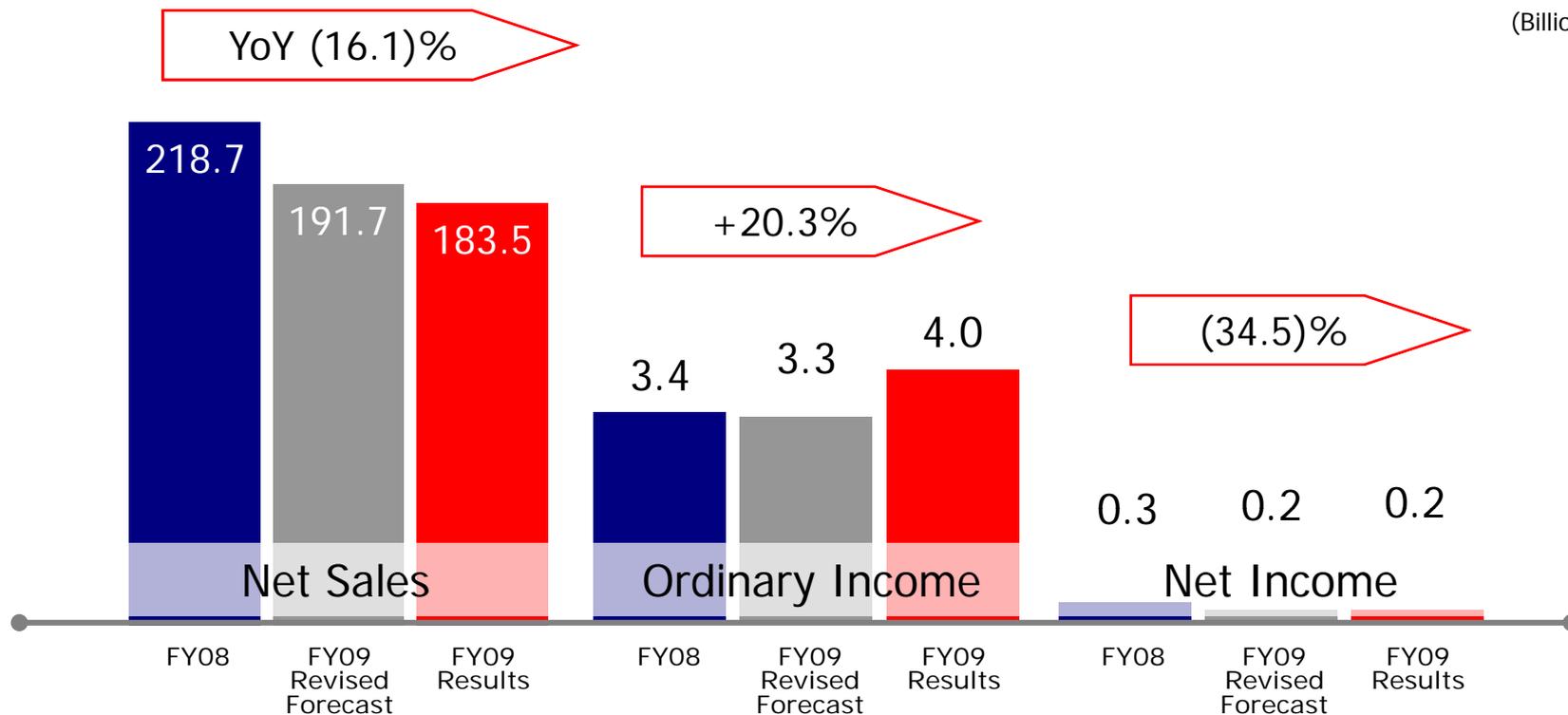
Consolidated	10/5	11/5 (Plan)
Net Sales (YoY)	183,515 (-16.1%)	186,000 (+ 1.4%)
Cost of Sales	146,784 (-16.2%)	151,100 (+ 2.9%)
Gross Profit	36,731 (-15.7%)	34,900 (-5.0%)
Selling, General and Administrative Expenses	33,070 (-18.8%)	32,100 (-2.9%)
Operating Income	3,660 (+ 28.4%)	2,800 (-23.5%)
Ordinary Income	4,044 (+ 20.3%)	2,900 (-28.3%)
Net Income	204 (-34.5%)	500 (+ 144.0%)



## 2. Results for the Fiscal Year Ended May 31, 2010

---

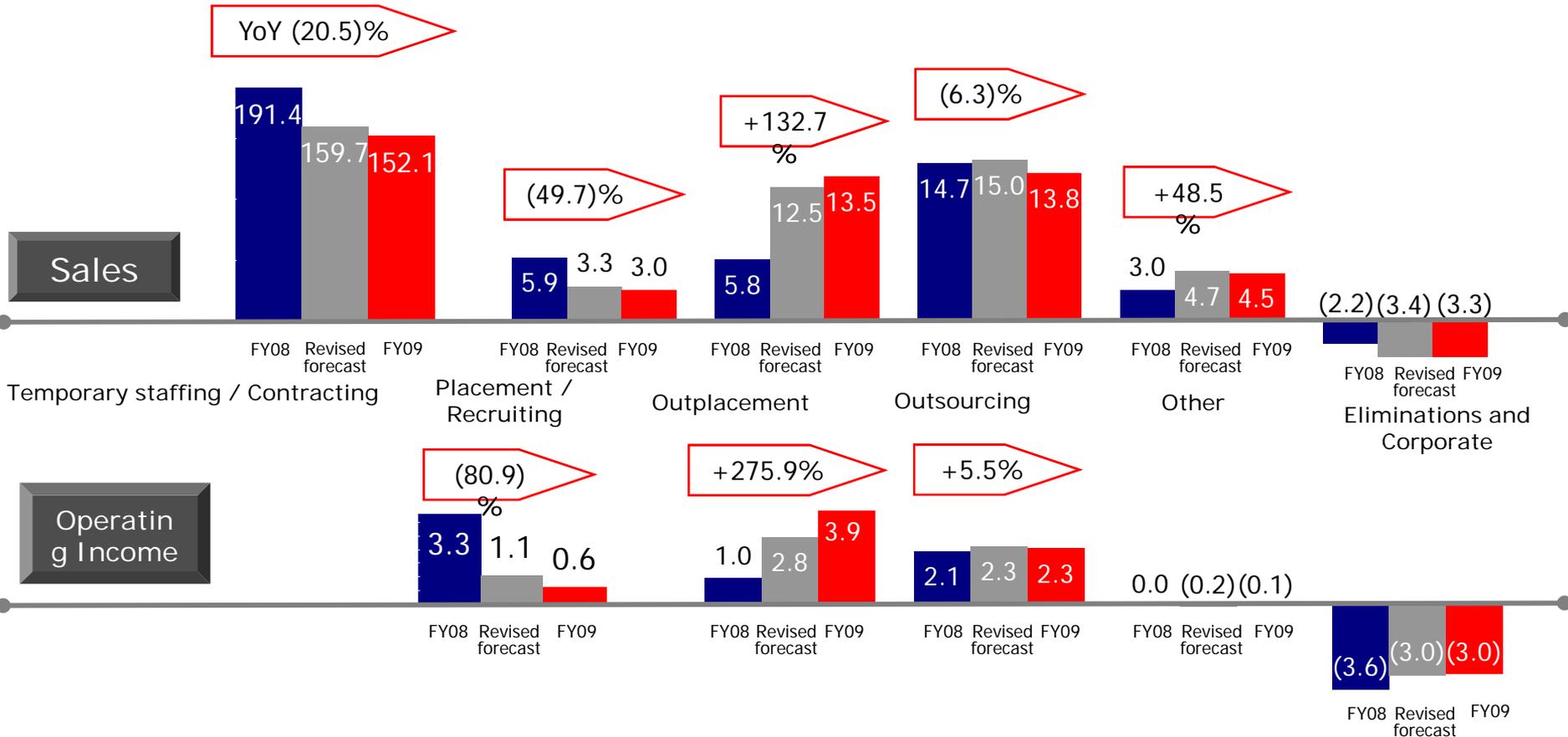
(Billions of yen)



(Millions of yen)	FY08	to net sales	FY09 Revised forecast	to net sales	FY09	to net sales	vs FY08 Increase/Decrease	%	vs revised forecast Increase/Decrease	%
Net Sales	218,699	100.0	191,700	100.0	183,515	100.0	(35,184)	(16.1)%	(8,185)	(4.3)%
Cost of sales	175,114	80.1	154,100	80.4	146,784	80.0	(28,329)	(16.2)%	(7,316)	(4.7)%
Gross profit	43,585	19.9	37,600	19.6	36,731	20.0	(6,854)	(15.7)%	(869)	(2.3)%
SG&A expenses	40,735	18.6	34,600	18.0	33,070	18.0	(7,664)	(18.8)%	(1,530)	(4.4)%
Operating income	2,850	1.3	3,000	1.6	3,660	2.0	809	28.4%	660	22.0%
Ordinary income	3,361	1.5	3,300	1.7	4,044	2.2	682	20.3%	744	22.5%
Net income	312	0.1	200	0.1	204	0.1	(107)	(34.5)%	4	2.0%

# Consolidated Results by Business Segment for the Fiscal Year Ended May 31, 2010

(Billions of yen)



	Temporary staffing/Contracting							Placement/Recruiting							Outplacement						
	FY08	Revised forecast	FY09	vs FY08	%	vs forecast	%	FY08	Revised forecast	FY09	vs FY08	%	vs forecast	%	FY08	Revised forecast	FY09	vs FY08	%	vs forecast	%
Sales	191,412	159,660	152,128	(39,283)	(20.5)%	(7,532)	(4.7)%	5,921	3,250	2,975	(2,945)	(49.7)%	(275)	(8.5)%	5,794	12,510	13,481	7,687	132.7%	971	7.8%
Operating Income	3,291	1,060	630	(2,661)	(80.9)%	(430)	(40.6)%	-	-	-	-	-	-	-	1,025	2,770	3,854	2,829	275.9%	1,084	39.1%
Operating Income Margin	1.7%	0.7%	0.4%	-	(1.3)pt	-	(0.3)pt	-	-	-	-	-	-	-	17.7%	22.1%	28.6%	-	10.9pt	-	6.5pt

	Outsourcing							Other							Eliminations and Corporate				
	FY08	Revised forecast	FY09	vs FY08	%	vs forecast	%	FY08	Revised forecast	FY09	vs FY08	%	vs forecast	%	FY08	Revised forecast	FY09	vs FY08	vs forecast
Sales	14,725	15,000	13,791	(933)	(6.3)%	(1,209)	(8.1)%	3,002	4,660	4,458	1,455	48.5%	(202)	(4.3)%	(2,155)	(3,380)	(3,320)	(1,164)	60
Operating Income	2,135	2,330	2,252	117	5.5%	(78)	(3.3)%	12	(160)	(120)	(132)	-	40	-	(3,614)	(3,000)	(2,957)	657	43
Operating Income Margin	14.5%	15.5%	16.3%	-	1.8pt	-	0.7pt	0.4%	-	-	-	-	-	-	-	-	-	-	-

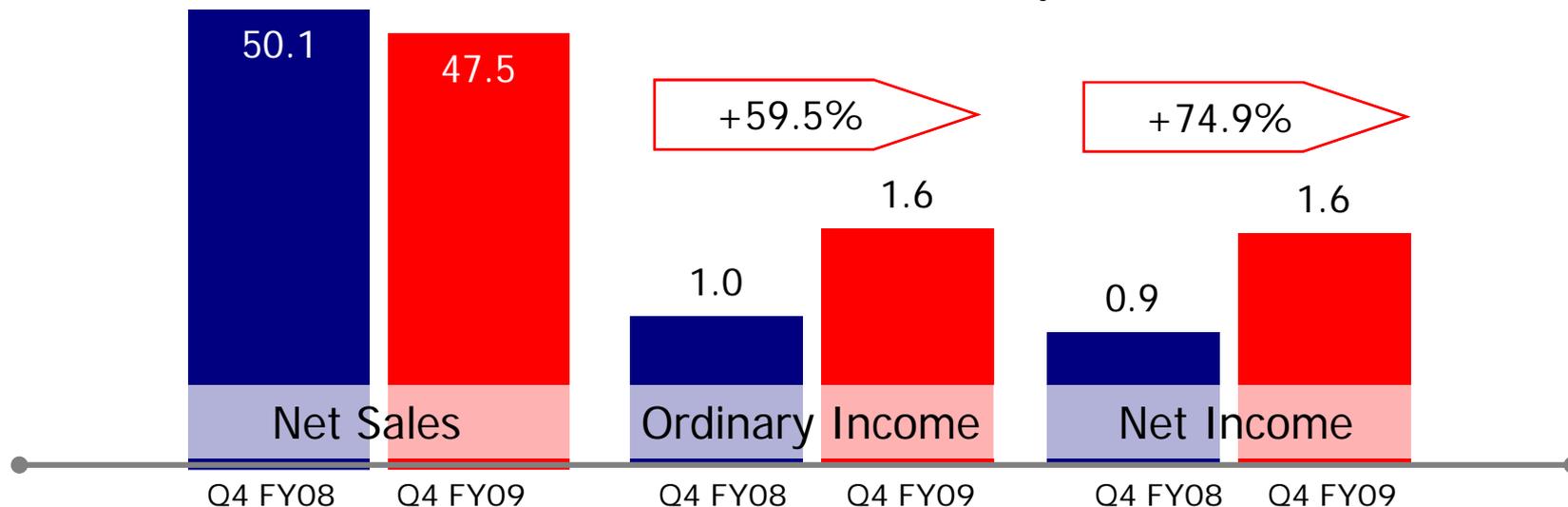
\* 1. Figures include intersegment sales and transfers \* 2. Operating income for Temporary staffing/Contracting and Placement/Recruiting are recorded as one segment

# Consolidated Results for the Three-month period ended May 31, 2010

(Billions of yen)

YoY (5.2)%

Note: Account settlement for the 4th quarter of the fiscal year ended May 31, 2010 for each of the Outplacement and Placement & Recruiting businesses is an irregular five-month period due to an adjustment in the fiscal year-end following the merger between Pasona Inc. and Pasona Career Inc.

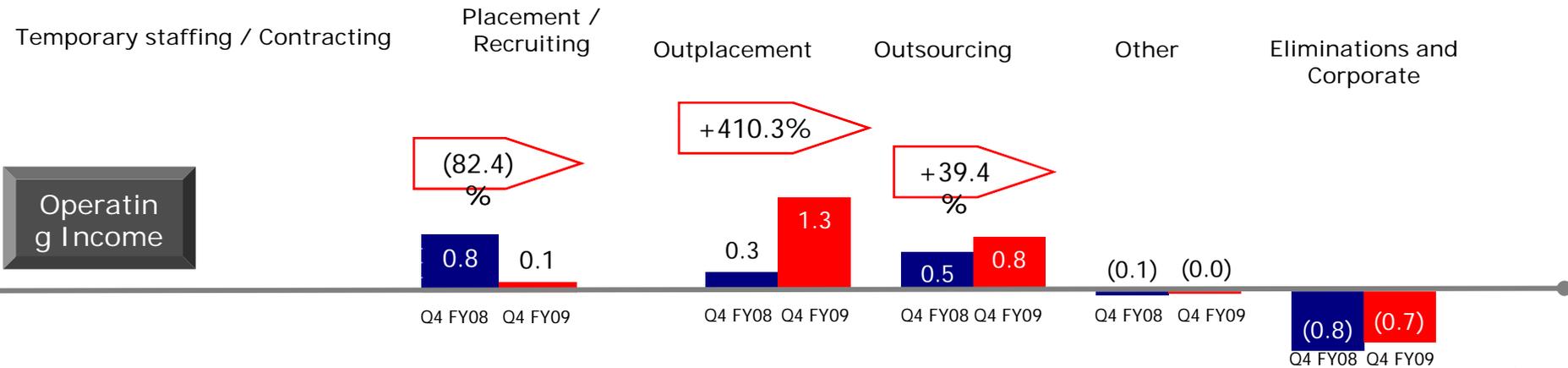
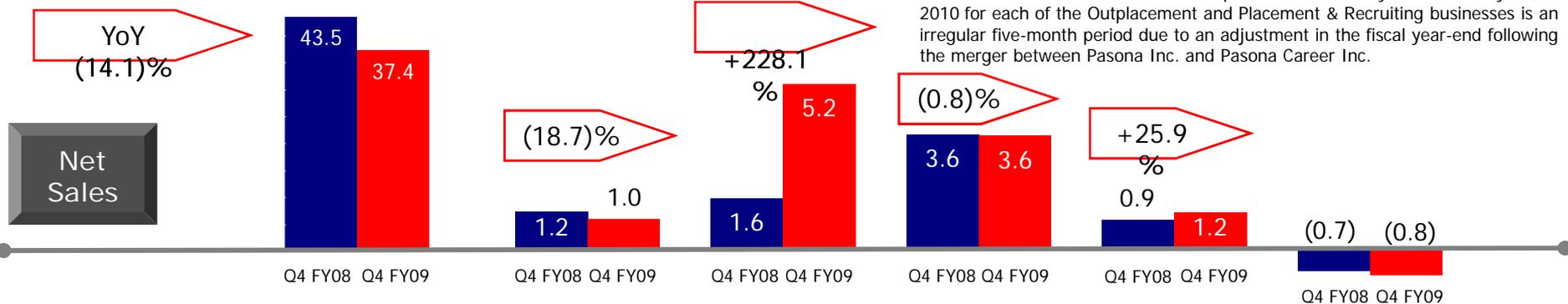


(Millions of yen)	4Q FY08	to net sales	4Q FY09	to net sales	vs FY08 Increase/Decrease	%
Net Sales	50,082	100.0	47,468	100.0	(2,613)	(5.2)%
Cost of sales	40,249	80.4	37,489	79.0	(2,760)	(6.9)%
Gross profit	9,833	19.6	9,979	21.0	146	1.5%
SG&A expenses	9,149	18.3	8,513	17.9	(635)	(6.9)%
Operating income	683	1.4	1,465	3.1	782	114.4%
Ordinary income	1,029	2.1	1,641	3.5	612	59.5%
Net income	919	1.8	1,608	3.4	689	74.9%

# Consolidated Results for the Three-month period ended May 31, 2010

(Billions of yen)

Note: Account settlement for the 4th quarter of the fiscal year ended May 31, 2010 for each of the Outplacement and Placement & Recruiting businesses is an irregular five-month period due to an adjustment in the fiscal year-end following the merger between Pasona Inc. and Pasona Career Inc.

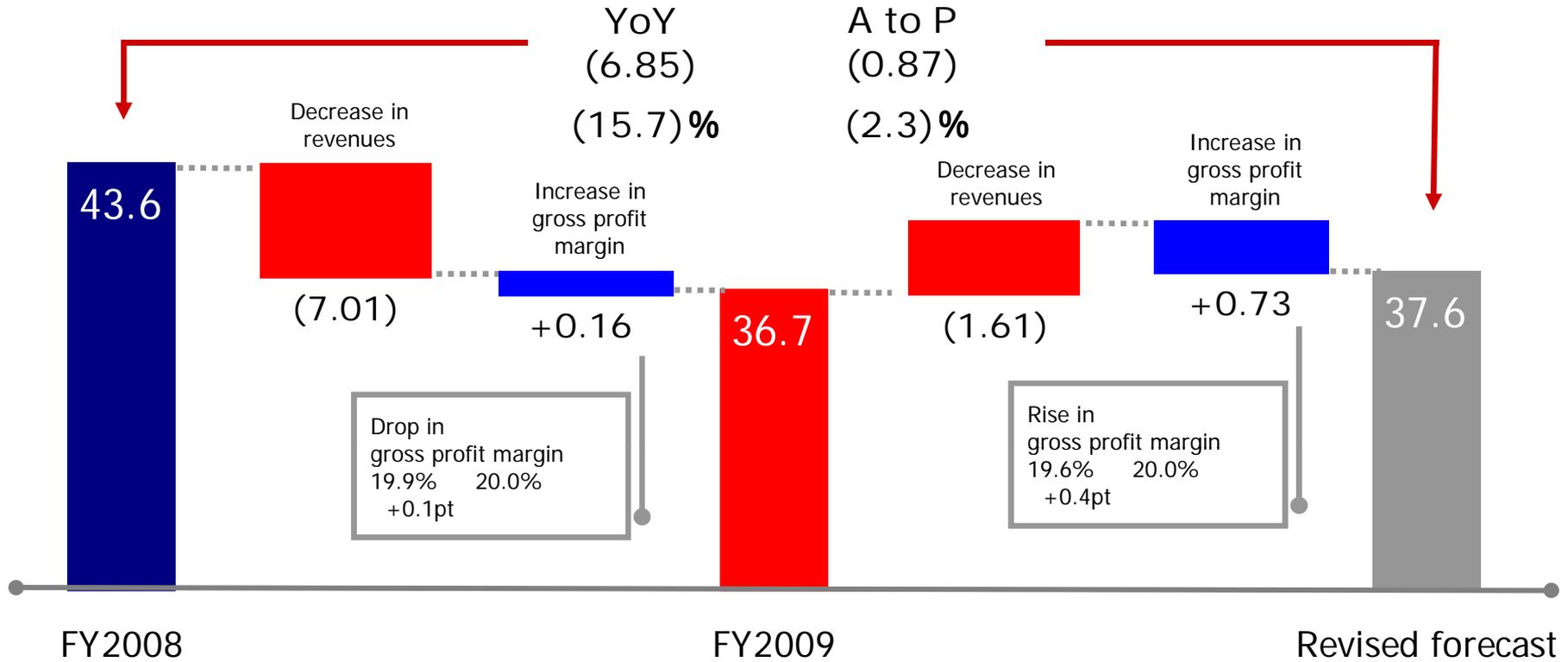


	Temporary staffing/Contracting				Placement/Recruiting				Outplacement			
	4Q FY08	4Q FY09	vs FY08	%	4Q FY08	4Q FY09	vs FY08	%	4Q FY08	4Q FY09	vs FY08	%
Sales	43,479	37,355	(6,123)	(14.1)%	1,170	952	(218)	(18.7)%	1,593	5,228	3,634	228.1%
Operating Income	782	137	(644)	(82.4)%	-	-	-	-	257	1,313	1,056	410.3%
Operating Income Margin	1.8%	0.4%	-	(1.4)pt	-	-	-	-	16.2%	25.1%	-	8.9pt
	Outsourcing				Other				Eliminations and Corporate			
	4Q FY08	4Q FY09	vs FY08	%	4Q FY08	4Q FY09	vs FY08	%	4Q FY08	4Q FY09	vs FY08	
Sales	3,607	3,577	(29)	(0.8)%	922	1,161	239	25.9%	(690)	(806)	(115)	
Operating Income	548	764	216	39.4%	(65)	(41)	24	-	(838)	(708)	129	
Operating Income Margin	15.2%	21.4%	-	6.2pt	-	-	-	-	-	-	-	

\*1. Figures include intersegment sales and transfers \*2. Operating income for Temporary staffing/Contracting and Placement/Recruiting are recorded as one segment

# Gross Profit

(Billions of yen)

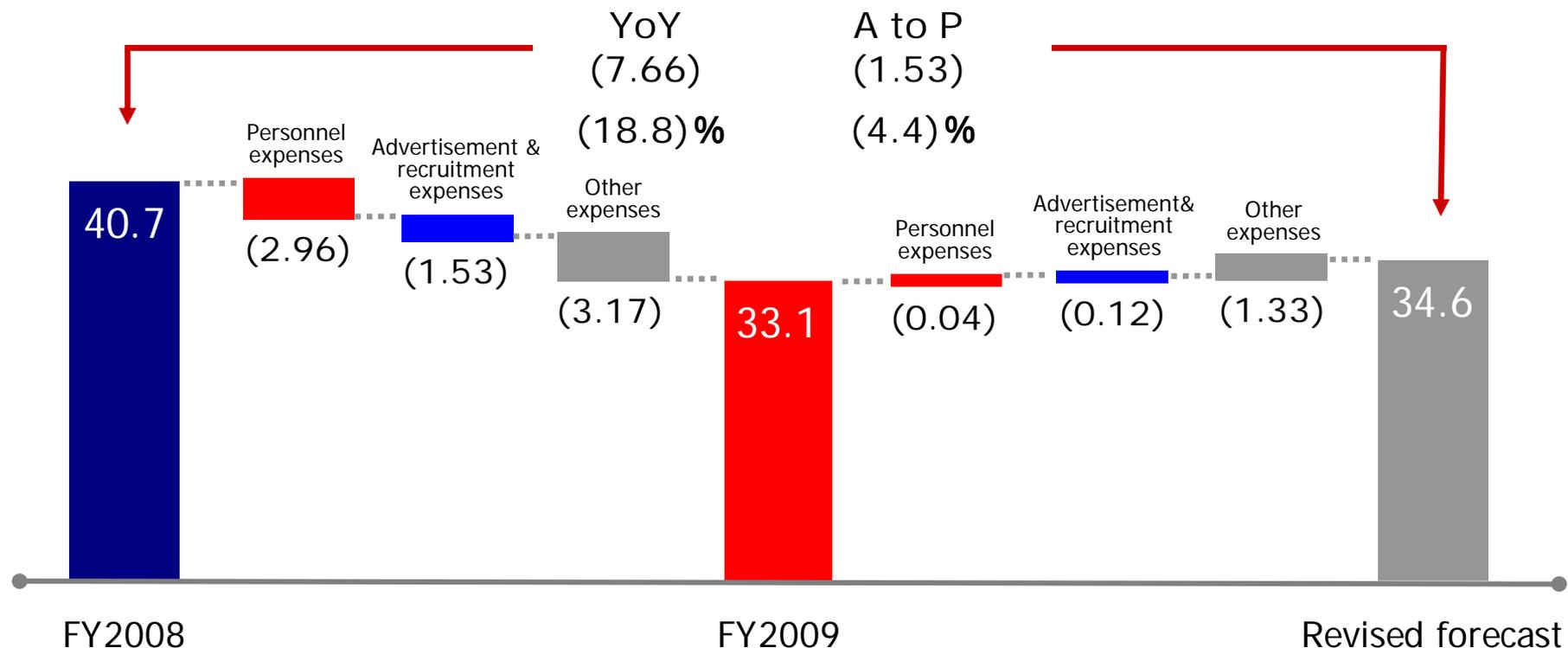


(Billions of yen)

(Billions of yen)

Sales impact			VS FY08	VS forecast		FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY09 Revised Forecast	FY09	VS FY08	VS forecast
Temporary staffing and Contracting			(5.88)	(1.07)										
			(2.93)	(0.27)	Gross profit	43.59	8.83	8.86	9.06	9.98	37.60	36.73	(6.85)	(0.87)
			3.09	0.37	Gross profit margin	19.9%	18.7%	19.7%	20.6%	21.0%	19.6%	20.0%	0.1pt	0.4pt
Outplacement														
Gross profit margin impact			VS FY08	VS forecast										
Temporary staffing and Contracting			(1.53)	(0.33)										
			0.55	0.74										

(Billions of yen)



(Billions of yen)

	FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	FY09 Revised Forecast	FY09	VS FY08	VS forecast
Personnel	21.88	5.01	4.21	4.31	5.39	18.96	18.92	(2.96)	(0.04)
Advertisement and recruitment	2.34	0.21	0.17	0.20	0.22	0.92	0.80	(1.53)	(0.12)
IT	2.52	0.64	0.64	0.58	0.38	2.62	2.24	(0.28)	(0.38)
Rent	4.92	1.14	1.10	1.00	1.00	4.24	4.23	(0.69)	(0.01)
Other	9.08	1.97	1.69	1.69	1.53	7.81	6.88	(2.20)	(0.93)
Total	40.74	8.97	7.82	7.77	8.51	34.60	33.07	(7.66)	(1.53)

# Non-operating/Extraordinary income (loss) , Others

(Millions of yen)

	FY08	Q1 FY09 (3M)	Q2 FY09 (3M)	Q3 FY09 (3M)	Q4 FY09 (3M)	FY09	VS FY08	%	VS forecast	%
Operating income (loss)	2,850	(134)	1,039	1,289	1,465	3,660	809	28.4%	660	22.0%
Non-operating income	742	56	52	231	242	581	(161)	(21.7)%		
Non-operating expenses	231	41	39	52	66	197	(33)	(14.6)%		
Ordinary income (loss)	3,361	(119)	1,052	1,469	1,641	4,044	682	20.3%	744	22.5%
Extraordinary income	757	22	5	155	14	198	(558)	(73.8)%		
Extraordinary loss	1,232	59	25	245	80	409	(822)	(66.8)%		
Income before income taxes	2,885	(155)	1,032	1,379	1,576	3,833	947	32.8%		
Income taxes - current	1,765	100	731	575	125	1,533	(232)	(13.2)%		
Income taxes - deferred	52	750	658	170	(408)	1,171	1,118	2125.5%		
Minority interests in income	755	96	236	339	250	923	168	22.3%		
Net income (loss)	312	(1,102)	(594)	292	1,608	204	(107)	34.5%	4	2.0%

Non-operating income  
 Equity in earnings of affiliates 105  
 Compensation income 160  
 Subsidy income 205

Non-operating expenses  
 Financial expenses 139

Extraordinary income  
 Reversal of provision for directors' retirement benefits 150

Extraordinary loss  
 Loss on sales and retirement of noncurrent assets 238  
 Relocation-related expenses 149

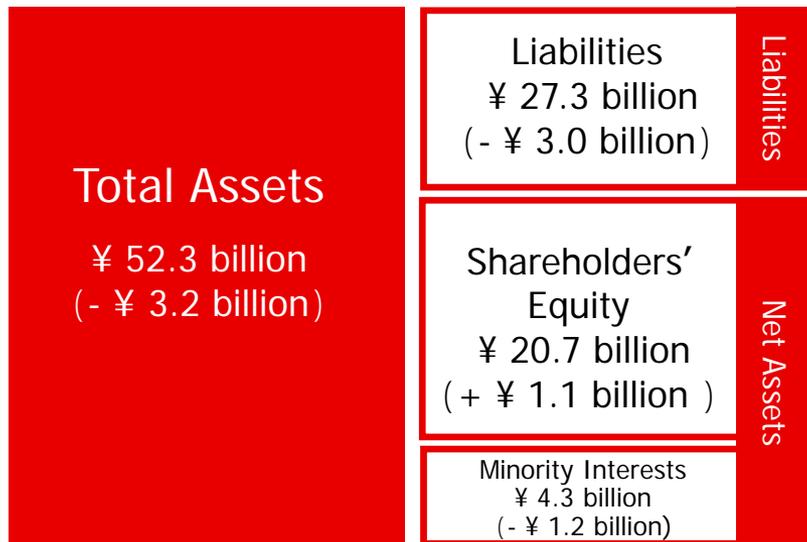
Income taxes - deferred  
 Reversal of deferred tax assets 638

Minority interests in income  
 Benefit One Inc. 690  
 Former Pasona Career Inc. 185

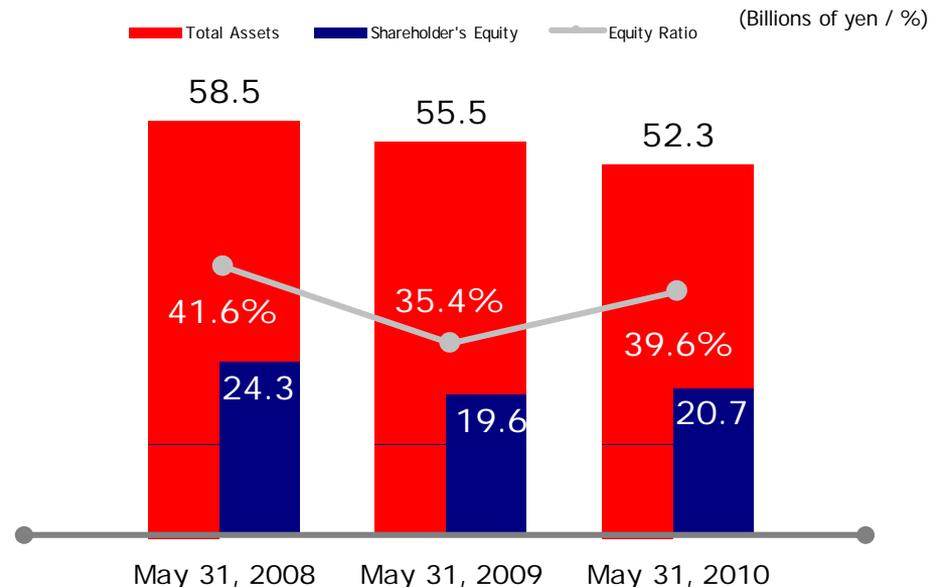
## Financial Position

As of May 31, 2010

• Figures in parentheses indicate changes from the end of the previous fiscal year.



## Total Assets, Shareholders' Equity, Equity Ratio



(Billions of yen)	May 31, 2009	May 31, 2010	Increase/Decrease
-------------------	--------------	--------------	-------------------

Current assets	37.4	35.0	(2.4)
Noncurrent assets	18.1	17.3	(0.8)
<b>Total assets</b>	<b>55.5</b>	<b>52.3</b>	<b>(3.2)</b>
Current liabilities	28.8	21.4	(7.4)
Noncurrent liabilities	1.5	5.9	4.4
<b>Total liabilities</b>	<b>30.3</b>	<b>27.3</b>	<b>(3.0)</b>
<b>Total net assets</b>	<b>25.1</b>	<b>25.0</b>	<b>(0.2)</b>

- Decrease in cash and deposits ¥(1.8)
- Decrease in notes and accounts receivable-trade ¥(1.0)
- Increase in lease assets (Gofukubashi building) ¥2.1
- Decrease in lease and guarantee deposits ¥(2.0)

- Decrease in short-term loans payable ¥(5.7)
- Increase in lease obligations ¥2.5
- Decrease in long-term loans payable ¥2.1
- Decrease in accrued expenses ¥(1.0)

- Disposal of treasury stock ¥1.1
- Decrease in minority interests ¥(1.2)

## Cash Flows

(Billions of yen)	FY08	FY09	Increase/ Decrease	
Cash flows from operating activities	4.4	2.9	(1.6)	<ul style="list-style-type: none"> <li>Income before income taxes ¥3.8</li> <li>Depreciation and amortization ¥1.9</li> <li>Increase (decrease) in deposits received ¥(1.7)</li> <li>Income taxes paid ¥(1.4)</li> </ul>
Cash flows from investing activities	(5.0)	(0.4)	4.6	<ul style="list-style-type: none"> <li>Purchase of property, plant and equipment ¥(0.6)</li> <li>Purchase of intangible assets ¥(0.5)</li> <li>Purchase of investments in subsidiaries ¥(1.4)</li> <li>Collection of lease and guarantee deposits ¥2.2</li> </ul>
Cash flows from financing activities	1.1	(4.3)	(5.4)	<ul style="list-style-type: none"> <li>Decrease due to the repayment of short-term loans payable ¥(6.3)</li> <li>Proceeds from long-term loans payable ¥2.9</li> <li>Cash dividends paid ¥(0.5)</li> </ul>
Cash and cash equivalents at the end of the period	14.1	12.3	(1.8)	
Free cash flows	(0.5)	2.5	3.0	

## 3. Overview by Business Segment

---

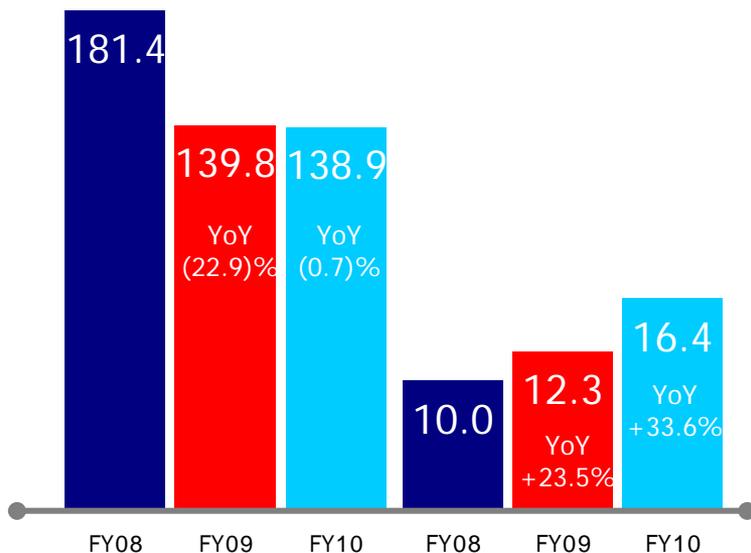
### Net Sales

Figures include intersegment sales and transfers

(Billions of yen)

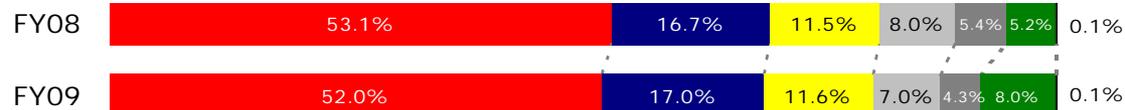
#### Temporary Staffing

#### Contracting



### Sales by Staffing Type

Figures exclude intersegment sales



(Millions of yen)

	FY08	YoY	FY09	YoY
Clerical	101,518	(10.1)%	78,833	(22.3)%
Technical	31,819	(5.4)%	25,820	(18.9)%
IT engineering	21,994	(1.2)%	17,559	(20.2)%
Sales and Marketing	15,312	(18.5)%	10,544	(31.1)%
Other	10,244	(11.0)%	6,556	(36.0)%
Insourcing (contracting)	9,910	8.8%	12,202	23.1%
Temporary staffing-related	201	(8.9)%	125	(37.5)%
<b>Total</b>	<b>191,002</b>	<b>(8.4)%</b>	<b>151,643</b>	<b>(20.6)%</b>

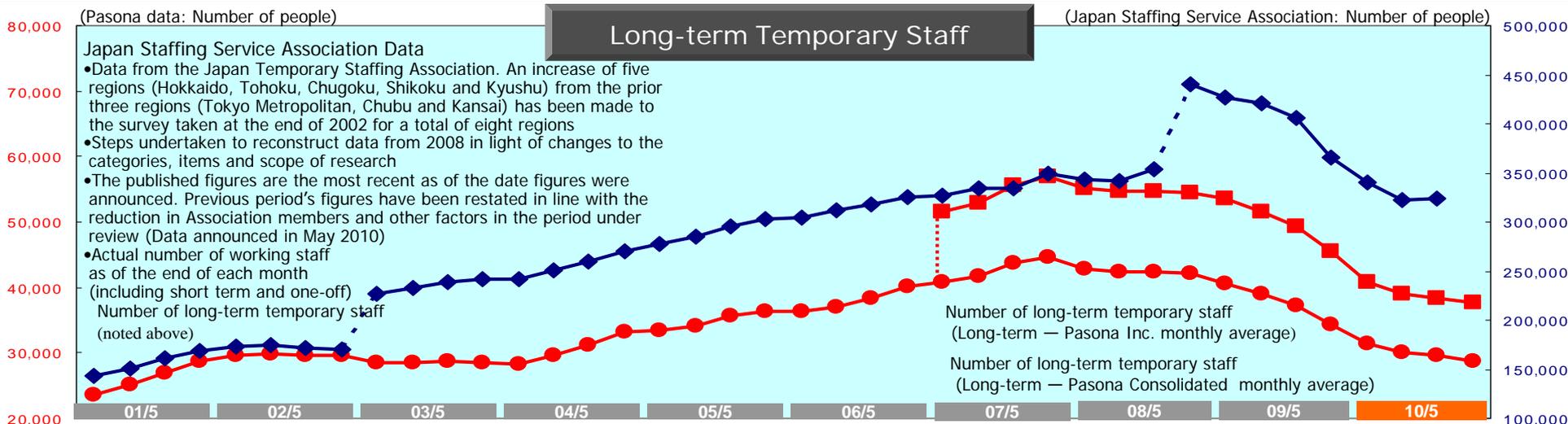
#### FY09

Continued sense of employment oversupply in the corporate sector; positive turnaround falling short of a full-fledged recovery  
 Firm demand in such specialized office work fields as telemarketing compared with other job types  
 Reinforcement of customers' solution-oriented marketing capabilities focusing on public-sector contracts; steady trend in Insourcing (contracting) activities

#### FY10

Specialized (technical) temporary staffing area expansion as well as education and training program implementation  
 Client firm compliance structure and system development and support  
 Further reinforcement of customers' solution-oriented marketing capabilities including consulting that encompasses the personnel and human resource areas as a whole

# Temporary Staffing / Contracting Marketing Data



	FY07				FY08				FY09			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Industry - wide	342,784	345,750	353,834	355,206	345,117	343,766						
YoY	4.8%	3.3%	3.8%	1.9%	0.7%	(0.6)%						
Industry - wide (After changing the examination item)				439,975	427,330	421,231	406,455	365,974	339,893	322,598	323,788	
YoY				-	-	-	-	(16.8)%	(20.5)%	(23.4)%	(20.3)%	
Pasona Inc.	42,825	42,350	42,387	42,073	40,607	38,923	37,242	34,295	31,384	30,019	29,529	28,659
YoY	5.1%	1.6%	(3.3)%	(5.7)%	(5.2)%	(8.1)%	(12.1)%	(18.5)%	(22.7)%	(22.9)%	(20.7)%	(16.4)%
Consolidated (Domestic)	* 55,168	54,619	54,758	54,573	53,615	51,518	49,406	45,535	40,866	38,932	38,398	37,690
YoY	6.9%	3.3%	(1.5)%	(4.1)%	(2.7)%	(5.5)%	(9.7)%	(16.6)%	(23.8)%	(24.4)%	(22.3)%	(17.2)%

### Three - month Average (Pasona Inc.)

Orders (long term)	Q1	Q2	Q3	Q4
FY08	5,973	5,008	3,152	3,836
YoY	(16.5)%	(34.3)%	(53.6)%	(44.2)%
FY09	3,153	3,138	3,207	3,625
YoY	(47.2)%	(37.3)%	1.7%	(5.5)%

Rate of Contracts Signed (Long-Term Contract Starts / Long-Term Orders)	Q1	Q2	Q3	Q4
FY08	36.8%	46.6%	55.6%	62.6%
YoY	(0.8)pt	8.0pt	18.5pt	19.6pt
FY09	58.2%	51.2%	49.4%	55.6%
YoY	21.4pt	4.6pt	(6.2)pt	(7.0)pt

Contract Starts (long term)	Q1	Q2	Q3	Q4
FY08	2,200	2,336	1,753	2,402
YoY	(18.3)%	(20.7)%	(30.6)%	(18.8)%
FY09	1,836	1,607	1,583	2,015
YoY	(16.6)%	(31.2)%	(9.7)%	(16.1)%

Rate of Contracts Completion (Long-Term Contract Starts / Long-Term Orders)	Q1	Q2	Q3	Q4
FY08	6.4%	7.0%	6.8%	11.4%
YoY	(1.0)pt	0.1pt	0.7pt	2.9pt
FY09	7.3%	6.1%	5.7%	9.0%
YoY	0.8pt	(0.9)pt	(1.1)pt	(2.4)pt

Contract Completion (long term)	Q1	Q2	Q3	Q4
FY08	2,614	2,718	2,546	3,918
YoY	(18.5)%	(6.8)%	(1.4)%	8.9%
FY09	2,282	1,817	1,694	2,582
YoY	(12.7)%	(33.2)%	(33.5)%	(34.1)%

Number of New Registered Staff for three months (Consolidated / Japan)	Q1	Q2	Q3	Q4
FY08	19,366	22,195	17,379	16,629
YoY	(14.8)%	1.7%	(11.9)%	(31.2)%
FY09	23,764	13,839	10,710	13,026
YoY	22.7%	(37.7)%	(38.4)%	(21.7)%

### Reference : Industry - wide 2010

	Jan.	Feb.	Mar.	Average
	325,940	326,082	328,863	326,962
	(19.6)%	(18.4)%	(16.5)%	(18.2)%

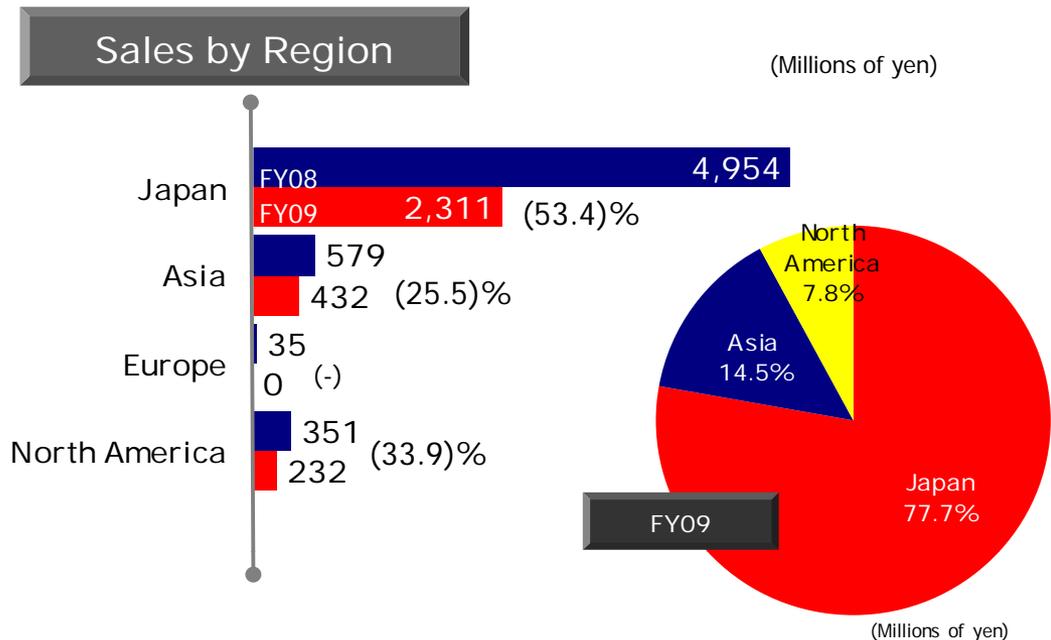
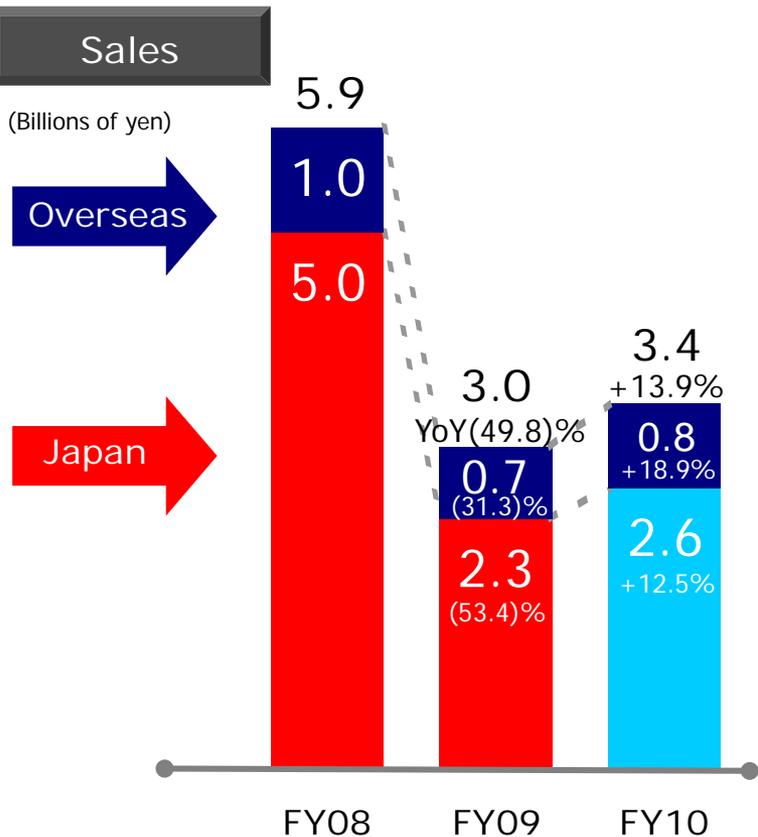
\*Contributions from the merger with MITSUBI BUSSAN HUMAN RESOURCES CORPORATION are included in results data for Q1 FY09.

\* Data include figures that were considered immaterial due to the impact of special project from Q1 FY07. Figures in *italics* are a comparison with the previous period due to the change in numerical criterion and provided for reference purposes only.

\*New registrants data presented on a consolidated basis. Disclosure of domestic temporary staffing business data: Pasona: June 1 to May 31; Subsidiary companies: April 1 to March 31.

# Placement / Recruiting

Pasona Inc. , Pasona Global Inc. , Pasona Fortune Inc. , Other



	FY08	FY09	YoY	FY10 Forecast	YoY
Consolidated (Japan)	4,954	2,311	(53.4)%	2,600	12.5%
Consolidated (Overseas)	966	664	(31.3)%	790	18.9%
Total	5,921	2,975	(49.8)%	3,390	13.9%

## FY09

Signs of a recovery in the recruitment of human resources with specialist skills and those who are capable of making an immediate impact; difficulties in matching due to increasingly stringent selection criteria

No recovery also in overseas business demand; trend remains weak

## FY10

Despite signs of a positive turnaround in the Placement and Recruiting business, more time required for a full-fledged recovery due to such factors as the persistent sense of employment oversupply in the corporate sector

Further reinforcement of collaboration with overseas subsidiary companies in response to the growing trend toward globalization adopted by client firms

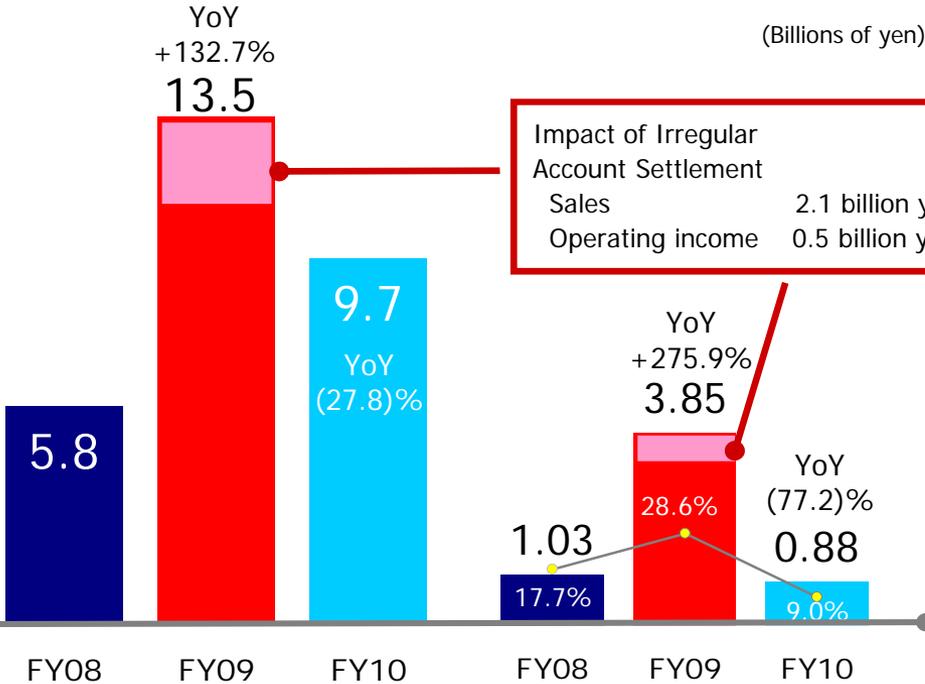
# Outplacement

Pasona Inc., Other

## Net Sales

## Operating Income, Operating Income Margin

(Billions of yen)



Impact of Irregular Account Settlement  
 Sales 2.1 billion yen  
 Operating income 0.5 billion yen

## Marketing Data (YoY)

Number of clients +71.7%  
 Number of personnel per company +8.1%  
 Number of orders (persons) +113.9%

(Millions of yen)

	FY08	FY09	YoY
Amount of Orders Received	6,748	13,116	94.4%

	FY08	FY09	YoY	FY10 Forecast	YoY
Sales	5,794	13,481	132.7%	9,730	(27.8)%
Operating income	1,025	3,854	275.9%	880	(77.2)%

### FY09

Substantial increase in orders amid continued corrections in employment throughout the corporate sector  
 Increase in the number of consultants through reassignment from other departments and divisions; focus on cultivating outplacement client firms  
 Irregular 14-month full fiscal year and five-month 4th quarter account settlement due to adjustments in the fiscal year-end following business merger

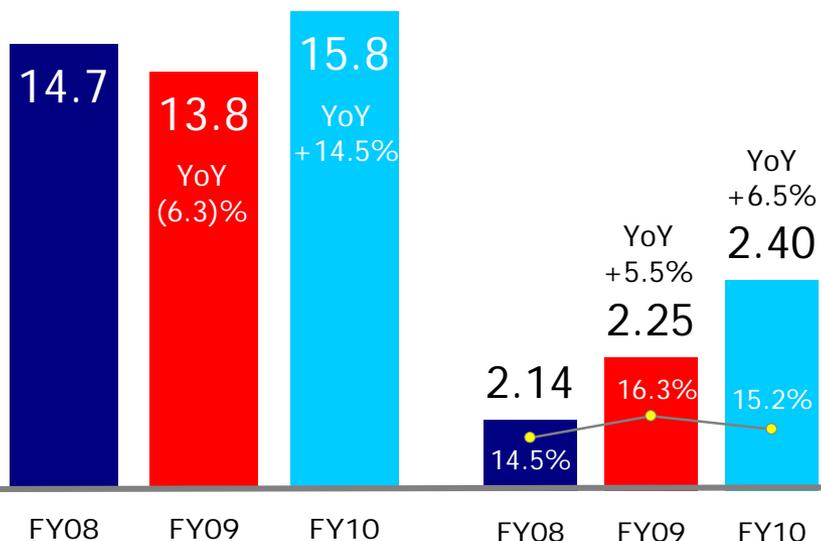
### FY10

Forecast of a moderate drop in orders due largely to a round of restructuring  
 Place the utmost priority on service user quick and definitive turnaround in the placement of employees; continue to focus on counseling and cultivating job offers  
 Sales posted on an apportioned basis; change from nine months to ten months  
 Forecast of a drop in revenues and earnings on the back also of the impact from technical positions in the previous fiscal year

## Net Sales

## Operating Income, Operating Income Margin

(Billions of yen)



## [ Bebenefit One Inc. Results ]

(Millions of yen)

	FY08	FY09	YoY	FY10	YoY
Net Sales	14,726	13,791	(6.3)%	15,792	14.5%
Operating income	2,334	2,345	0.5%	2,440	4.0%

	FY08	FY09	YoY	FY10 Forecast	YoY
Sales	14,725	13,791	(6.3)%	15,790	14.5%
Operating income	2,135	2,252	5.5%	2,400	6.5%

### FY09

Drop in revenues due to withdrawals from employee benefit membership reflecting the impacts of difficult economic conditions and delays in the set up and launch of new services

Maintained an increase in earnings through successful efforts to reduce cost of sales as well as SG&A expenses

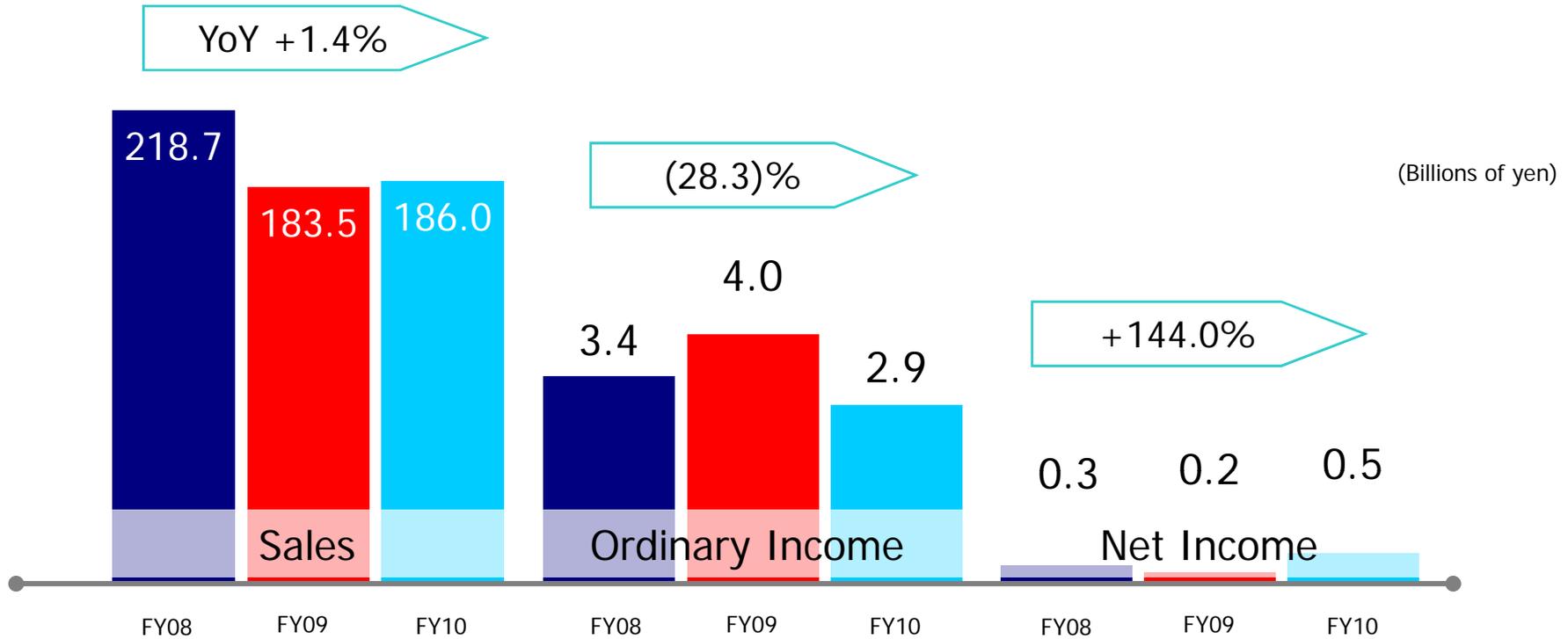
### FY10

Expectations that demand will continue to remain firm mainly from large companies and public authorities

CRM business; incentive business; projections of an increase in revenues and earnings owing to growth in new services

## 4. Consolidated Forecast of Business Results

---



(Millions of yen)	FY08	to net sales	FY09 Results	to net sales	vs FY08	YoY	FY10 Forecast	to net sales	vs FY09	YoY
Net Sales	218,699	100.0	183,515	100.0	(35,184)	(16.1)%	186,000	100.0	2,484	1.4%
Cost of sales	175,114	80.1	146,784	80.0	(28,329)	(16.2)%	151,100	81.2	4,316	2.9%
Gross profit	43,585	19.9	36,731	20.0	(6,854)	(15.7)%	34,900	18.8	(1,831)	(5.0)%
SG&A expenses	40,735	18.6	33,070	18.0	(7,664)	(18.8)%	32,100	17.3	(970)	(2.9)%
Operating income	2,850	1.3	3,660	2.0	809	28.4%	2,800	1.5	(860)	(23.5)%
Ordinary income	3,361	1.5	4,044	2.2	682	20.3%	2,900	1.6	(1,144)	(28.3)%
Net income	312	0.1	204	0.1	(107)	(34.5)%	500	0.3	295	144.0%

# Point of Forecasts for the Fiscal Year Ending May 31, 2011

(Millions of yen)	FY09 Results	FY10 Forecast	VS FY09	(%)
Net Sales	183,515	186,000	2,484	1.4%
Gross Profit	36,731	34,900	(1,831)	(5.0)%
SG&A Expenses	33,070	32,100	(970)	(2.9)%
Operating Income	3,660	2,800	(860)	(23.5)%
Ordinary Income	4,044	2,900	(1,144)	(28.3)%
Income before income taxes	3,833	2,400	(1,433)	(37.4)%
Net Income	204	500	295	144.0%

### Gross profit

Large impact from the drop in Outplacement revenues  
 Revenue growth impact +0.5 billion yen  
 Gross profit margin impact -2.3 billion yen  
 Gross profit margin 20.0% 18.8% (-1.2pt)

### Selling, general and administrative expenses

Reduction in rental payment due to branch consolidation -0.7 billion yen  
 Continued pursuit of reduction measures

### Extraordinary loss

Asset disposal liability Q1 0.4 billion yen  
 (Expenses incurred in restoring office buildings to their original state)

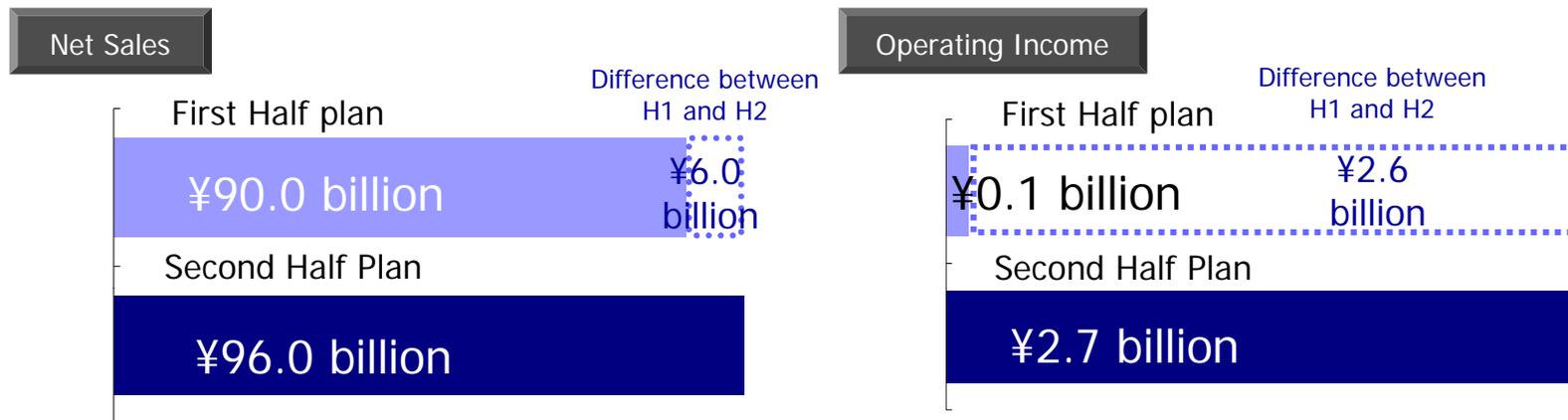
# Balance Between the First and Second Half of the Fiscal Year Ending May 31, 2011

Widening gap between first and second half results from a profit perspective

Impact of seasonal factors on the Outsourcing business (Benefit One Inc. operating income: H1 0.4 billion yen, H2 2.0 billion yen difference +1.6 billion yen)

Recovery in the Temporary staffing and contracting business leading into the second half (H1 0.5 billion yen, H2 1.8 billion yen difference +1.3 billion yen note: previous segment classification, including Placement & Recruiting)

Asset disposal liability (approximately 0.4 billion yen): plans to post as an extraordinary loss in the first quarter



(Millions of yen)	First Half		VS FY09		Second Half		VS FY09		FY10		VS FY09	
	to net sales			%	to net sales			%	to net sales			%
Net Sales	90,000	100.0	(2,069)	(2.2)%	96,000	100.0	4,553	5.0%	186,000	100.0	2,484	1.4%
Cost of sales	73,900	82.1	(480)	(0.6)%	77,200	80.4	4,794	6.6%	151,100	81.2	4,316	2.9%
Gross profit	16,100	17.9	(1,589)	(9.0)%	18,800	19.6	(241)	(1.3)%	34,900	18.8	(1,831)	(5.0)%
SG&A expenses	16,000	17.8	(784)	(4.7)%	16,100	16.8	(186)	(1.1)%	32,100	17.3	(970)	(2.9)%
Operating income	100	0.1	(805)	(89.0)%	2,700	2.8	(55)	(2.0)%	2,800	1.5	(860)	(23.5)%
Ordinary income	100	0.1	(833)	(89.3)%	2,800	2.9	(311)	(10.0)%	2,900	1.6	(1,144)	(28.3)%
Net income (loss)	500	-	1,196	-	1,000	1.0	(901)	(47.4)%	500	0.3	295	144.0%

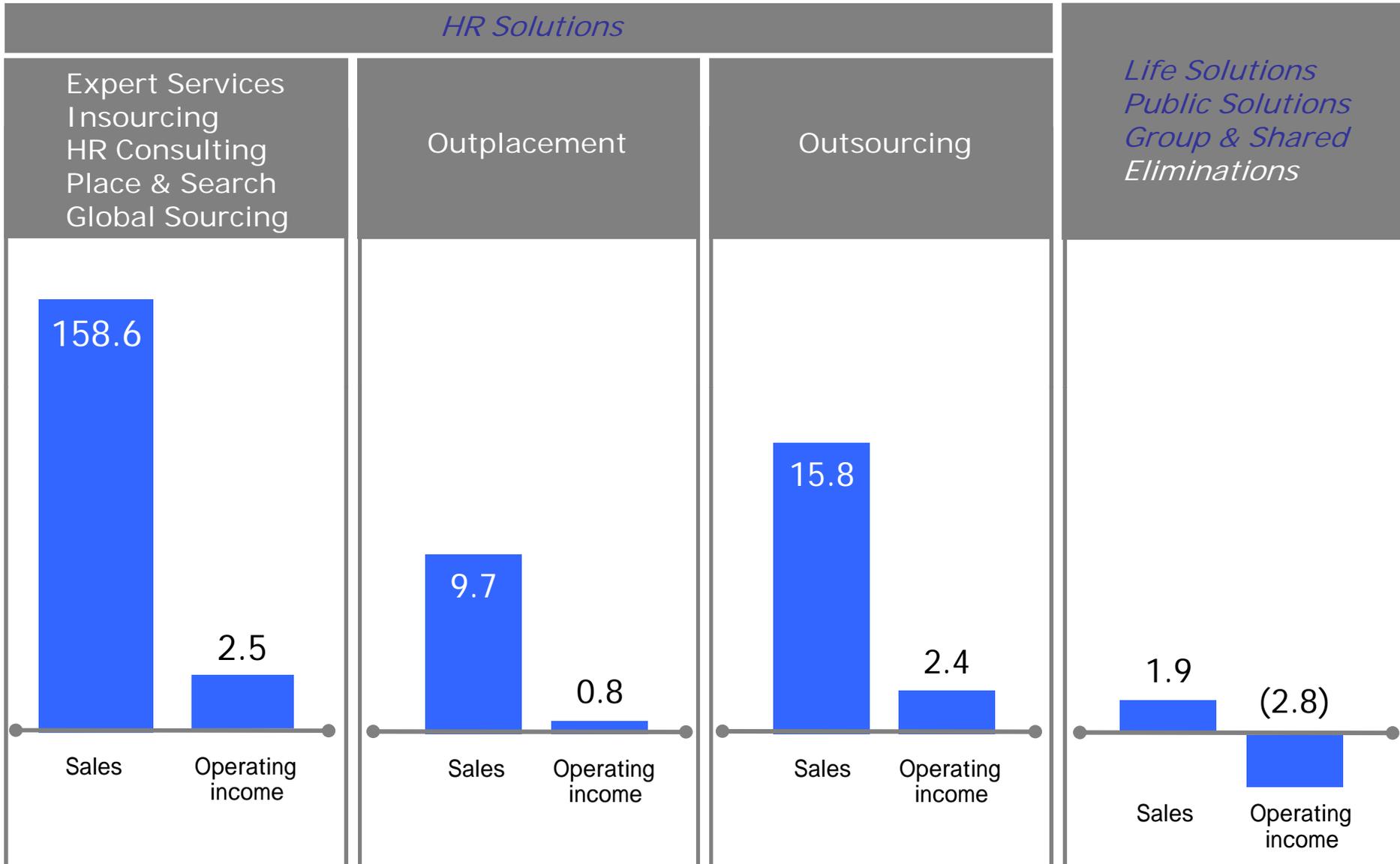
# Reclassification of Business Segments

Business segments reclassified on a company unit basis in accordance with the implementation of the Accounting Standard on Disclosure of Segment Information effective from the fiscal year ending May 31, 2011, and moves to introduce and adopt the "Management Approach"

<i>HR Solutions</i>	<u>Expert Services (Temporary staffing), Insourcing (Contracting), HR Consulting</u>		
	Pasona Inc.	Kantou Employment Creation Organization Inc.	
	Pasona Tech, Inc.	Kansai Employment Creation Organization Inc.	
	Pasona Dotank Inc.	Pasona e-Professional, Inc.	AIG STAFF Co., Ltd.
	Pasona Okayama Inc.	Pasona Empower Inc.	Pasona Logicom Inc.
	Pasona Kyoto Inc.	Pasona Sourcing Inc.	e-Staffing Co., Ltd.*
Expert Services (Temporary staffing)	Pasona Nagasaki Inc.	Pasona Engineering Inc.	Pasona Nakakyushu Inc.*
<i>Insourcing (Contracting)</i>	<u>Place &amp; Search (Placement/Recruiting)</u>		
	Pasona Inc.	Pasona Fortune Inc.	Pasona Global Inc.
<i>HR Consulting</i>	<u>Global Sourcing (Overseas)</u>		
	Pasona NA, Inc		Pasona MIC.Inc.
<i>Place &amp; Search (Placement/Recruiting)</i>	PASONA CANADA, Inc.		Pasona Taiwan Co.,Ltd.
	MGR Search and Selection Co.,Ltd		Pasona Singapore Pte.Ltd.
<i>Global Sourcing (Overseas)</i>	Pasona Human Resources (shanghai) Co.,Ltd		PASONA ASIA CO.,LIMITED
	TEAM PASONA INDIA COMPANY LIMITED		
<i>Outplacement</i>	Pasona Inc.		
<i>Outsourcing</i>	Benefit One Inc.	National Examination Center Inc.*	
<i>Life Solutions</i>	<u>Life Solutions</u>		
	Pasona Foster Inc.	Pasona Education Co., Limited	
<i>Public Solutions</i>	<u>Public Solutions</u>		
	Pasona Heartful Inc.		
<i>Group &amp; Shared</i>	<u>Group &amp; Shared</u>		
	Pasona Group Inc.	Pasona CIO Inc.	

\* Equity-method affiliate

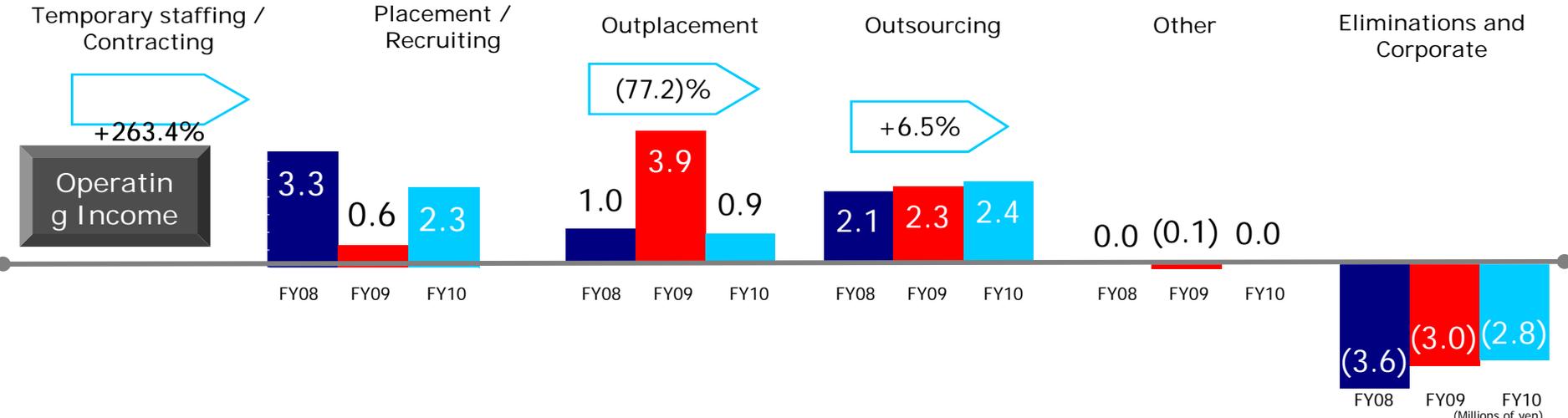
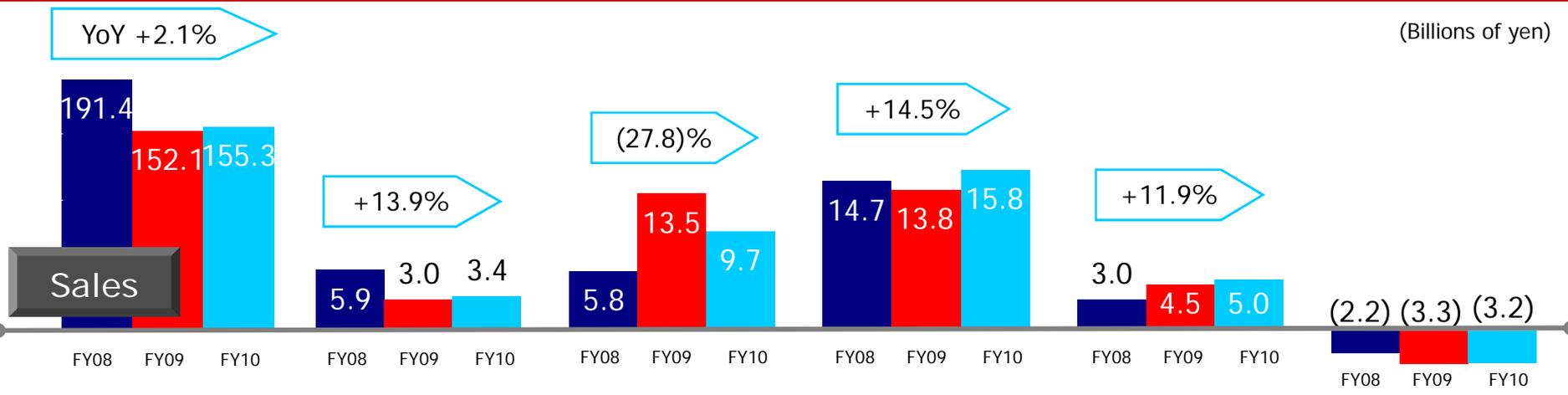
(Billions of yen)



Note: Percentage increases and decreases compared with the fiscal year ended May 31, 2010 have not been provided due to the reclassification of business segments.

# [Reference] Consolidated Forecasts by Business Segment for the Fiscal Year Ending May 31, 2011 (Former Segment)

(Billions of yen)



	Temporary staffing/Contracting						Placement/Recruiting						Outplacement					
	FY08	FY09	%	FY10	vs FY09	%	FY08	FY09	%	FY10	vs FY09	%	FY08	FY09	%	FY10	vs FY09	%
Sales	191,412	152,128	(20.5)%	155,280	3,151	2.1%	5,921	2,975	(49.7)%	3,390	414	13.9%	5,794	13,481	132.7%	9,730	(3,751)	(27.8)%
Operating Income	3,291	630	(80.9)%	2,290	1,659	263.4%	-	-	-	-	-	-	1,025	3,854	275.9%	880	(2,974)	(77.2)%
Operating Income Margin	1.7%	0.4%	(1.3)pt	1.4%	-	1.0pt	-	-	-	-	-	-	17.7%	28.6%	10.9pt	9.0%	-	(19.6)pt
	Outsourcing						Other						Eliminations and Corporate					
	FY08	FY09	%	FY10	vs FY09	%	FY08	FY09	%	FY10	vs FY09	%	FY08	FY09	FY10	vs FY09		
Sales	14,725	13,791	(6.3)%	15,790	1,998	14.5%	3,002	4,458	48.5%	4,990	531	11.9%	(2,155)	(3,320)	(3,180)	140		
Operating Income	2,135	2,252	5.5%	2,400	147	6.5%	12	(120)	-	40	160	-	(3,614)	(2,957)	(2,810)	147		
Operating Income Margin	14.5%	16.3%	1.8pt	15.2%	-	(1.1)pt	0.4%	-	-	0.8%	-	-	-	-	-	-		

\*1. Figures include intersegment sales and transfers \*2. Operating income for Temporary staffing/Contracting and Placement/Recruiting are recorded as one segment

## 5. Reference

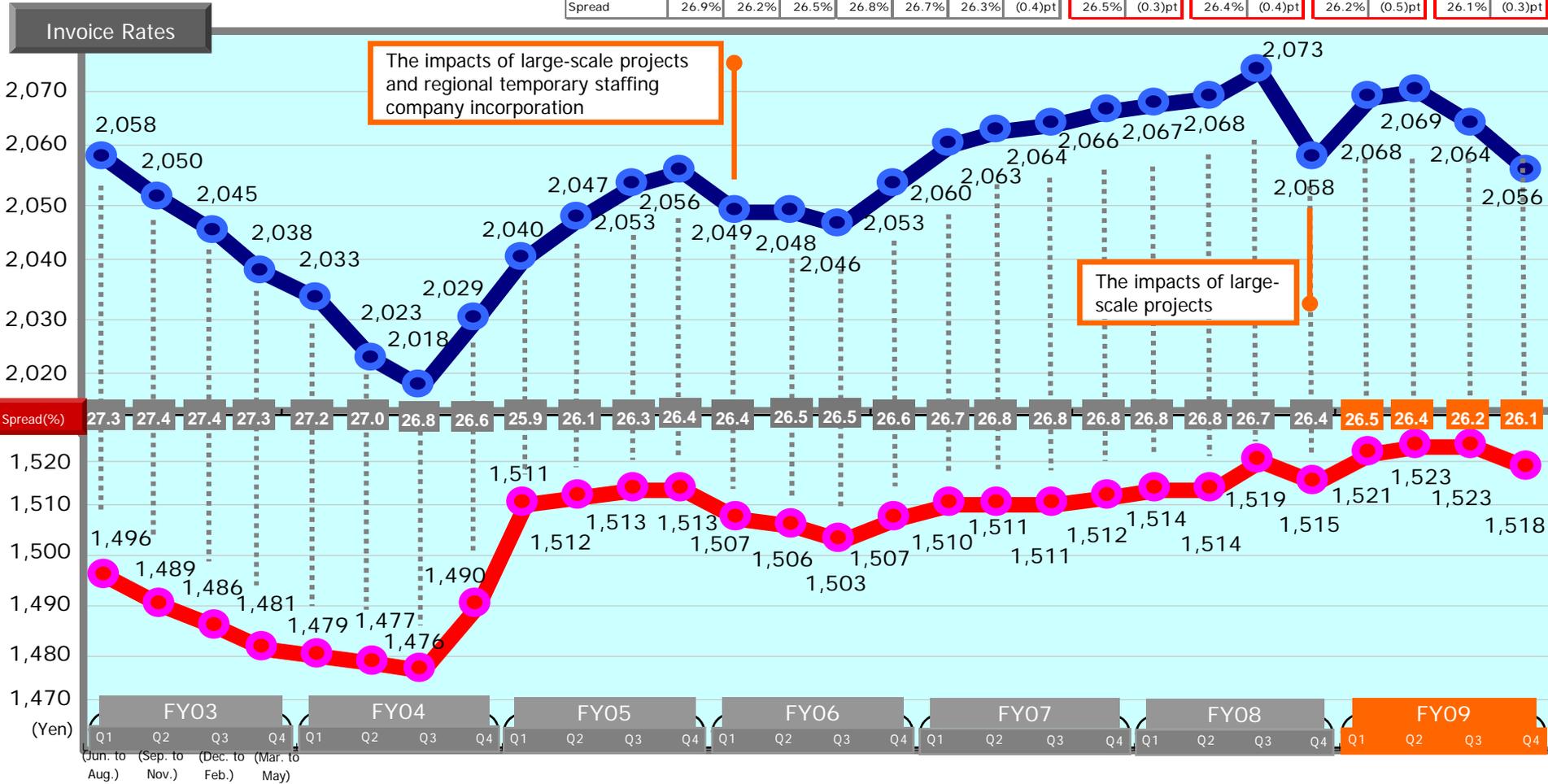
---

# Temporary Staffing / Contracting (Unit Price / Pasona Inc.)

The spread between unit prices at the invoice and payment levels.

Q4 FY09 **26.1%** (YoY -0.3pt)

	FY04	FY05	FY06	FY07	FY08	FY09 (Average)		Q1 FY09		Q2 FY09		Q3 FY09		Q4 FY09	
						FY09	YoY	Q1	YoY	Q2	YoY	Q3	YoY	Q4	YoY
Invoice Rates	2,026	2,049	2,049	2,063	2,067	2,064	(0.1)%	2,068	+0.0%	2,069	+0.0%	2,064	(0.4)%	2,056	(0.1)%
Payment Rates	1,481	1,512	1,506	1,511	1,516	1,521	+0.4%	1,521	+0.4%	1,523	+0.6%	1,523	+0.2%	1,518	+0.2%
Spread	26.9%	26.2%	26.5%	26.8%	26.7%	26.3%	(0.4)pt	26.5%	(0.3)pt	26.4%	(0.4)pt	26.2%	(0.5)pt	26.1%	(0.3)pt



Payment Rates

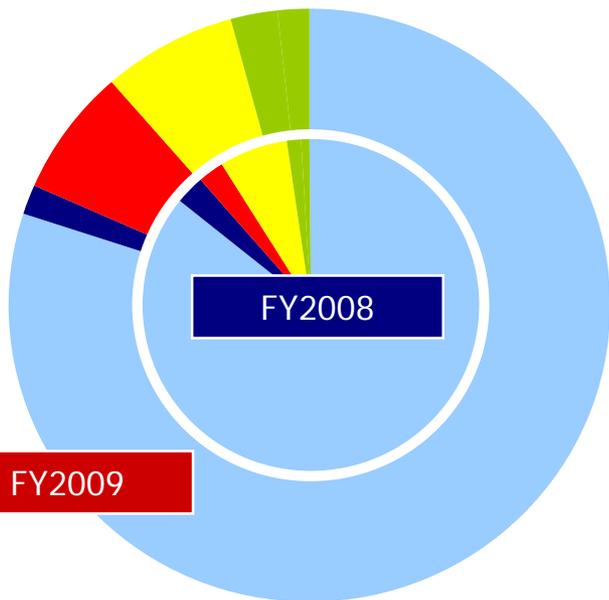
Notes: Pasona Inc. (Non-consolidated) / Average hourly unit price across all segments (weighted average)  
 Figures include Socio. Inc., which was absorbed by Pasona Inc. from FY2006.

# Consolidated Results for the Fiscal Year Ended May 31, 2010 by Business Segment Composition

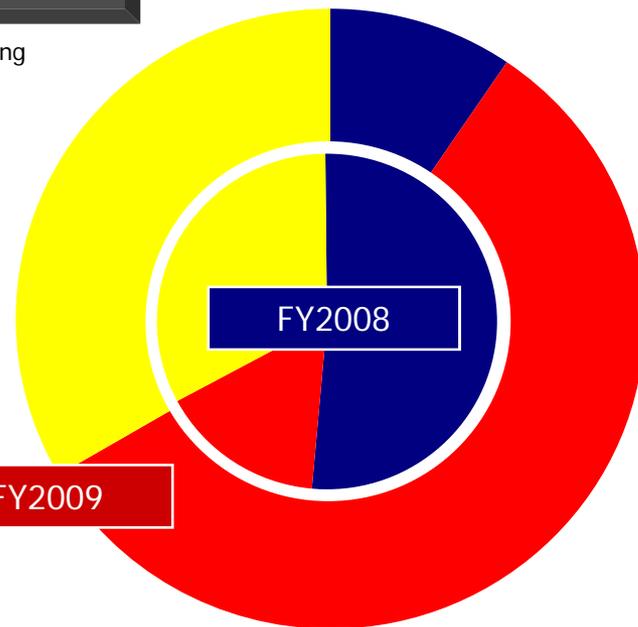
Note: Operating income data for Temporary staffing / Contracting, and Placement / Recruiting, Outplacement and Outsourcing segments only.

Net Sales

Operating Income



- Temporary staffing / Contracting (Sales)
- Placement / Recruiting (Sales)
- Temporary Staffing / Contracting, Placement / Recruiting (Operating Income)
- Outplacement
- Outsourcing
- Other



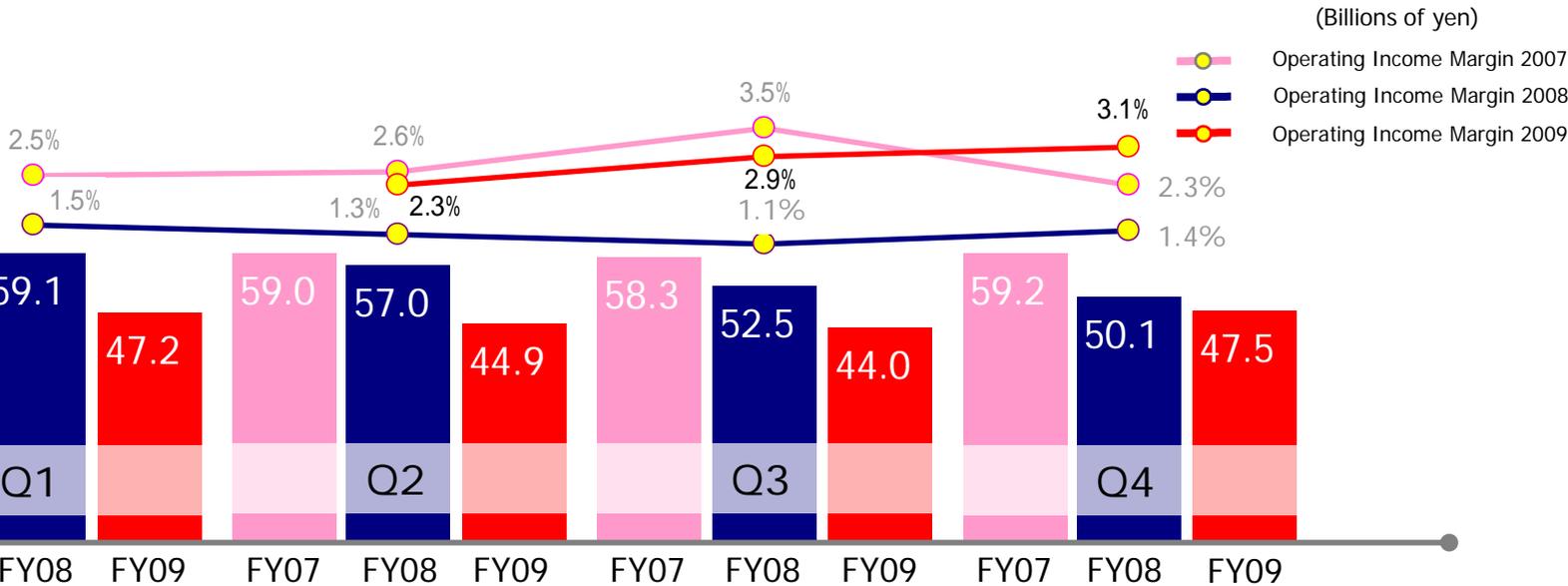
(Millions of yen)

	FY08				FY09			
	Sales	%	Operating Income	%	Sales	%	Operating Income	%
Temporary staffing / Contracting	191,412	86.7%	3,291	50.9%	152,128	81.4%	630	9.5%
Placement / Recruiting	5,921	2.7%			2,975	1.6%		
Outplacement	5,794	2.6%	1,025	15.9%	13,481	7.2%	3,854	58.3%
Outsourcing	14,725	6.7%	2,135	33.0%	13,791	7.4%	2,252	34.0%
Other	3,002	1.4%	12	0.2%	4,458	2.4%	(120)	(1.8)%
		100.0%		100.0%		101.8%		100.0%

Composition ratios are calculated after excluding eliminations and corporate

# Quarterly Earnings Trends

## Net Sales



(Millions of yen)

	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)				
	FY07	FY08	YoY	FY09	YoY	FY07	FY08	YoY	FY09	YoY	FY07	FY08	YoY	FY09	YoY	FY07	FY08	YoY	FY09	YoY
Net Sales	60,489	59,136	(2.2)%	47,161	(20.2)%	59,026	56,950	(3.5)%	44,908	(21.1)%	58,250	52,531	(9.8)%	43,977	(16.3)%	59,178	50,082	(15.4)%	47,468	(5.2)%
Gross profit	12,115	11,762	(2.9)%	8,834	(24.9)%	12,230	11,435	(6.5)%	8,855	(22.6)%	12,671	10,554	(16.7)%	9,062	(14.1)%	12,352	9,833	(20.4)%	9,979	1.5%
SG&A expenses	10,585	10,902	+3.0%	8,968	(17.7)%	10,688	10,696	+0.1%	7,815	(26.9)%	10,655	9,986	(6.3)%	7,772	(22.2)%	10,995	9,149	(16.8)%	8,513	(6.9)%
Operating income	1,529	860	(43.8)%	(134)	-	1,541	738	(52.1)%	1,039	+40.7%	2,015	567	(71.8)%	1,289	+127.0%	1,356	683	(49.6)%	1,465	114.4%
Ordinary income	1,584	909	(42.6)%	(119)	-	1,560	894	(42.7)%	1,052	+17.6%	1,994	527	(73.5)%	1,469	+178.2%	1,497	1,029	(31.3)%	1,641	59.5%
Net income (loss)	795	313	(60.6)%	(1,102)	-	268	(110)	-	(594)	-	1,286	(810)	-	292	-	612	919	+50.1%	1,608	74.9%
Gross profit margin	20.0%	19.9%	(0.1)pt	18.7%	(1.2)pt	20.7%	20.1%	(0.6)pt	19.7%	(0.4)pt	21.8%	20.1%	(1.7)pt	20.6%	+0.5pt	20.9%	19.6%	(1.3)pt	21.0%	1.4pt
SG&A expense ratio	17.5%	18.4%	+0.9pt	19.0%	+0.6pt	18.1%	18.8%	0.7pt	17.4%	(1.4)pt	18.3%	19.0%	+0.7pt	17.7%	(1.3)pt	18.6%	18.2%	(0.4)pt	17.9%	(0.3)pt
Operating income margin	2.5%	1.5%	(1.0)pt	-	-	2.6%	1.3%	(1.3)pt	2.3%	+1.0pt	3.5%	1.1%	(2.4)pt	2.9%	+1.8pt	2.3%	1.4%	(0.9)pt	3.1%	1.7pt
Ordinary income margin	2.6%	1.5%	(1.1)pt	-	-	2.6%	1.6%	(1.0)pt	2.3%	+0.7pt	3.4%	1.0%	(2.4)pt	3.3%	+2.3pt	2.5%	2.1%	(0.4)pt	3.5%	1.4pt
Net income margin	1.3%	0.5%	(0.8)pt	-	-	0.5%	-	-	-	-	2.2%	-	-	0.7%	-	1.0%	1.8%	+0.8pt	3.4%	1.6pt

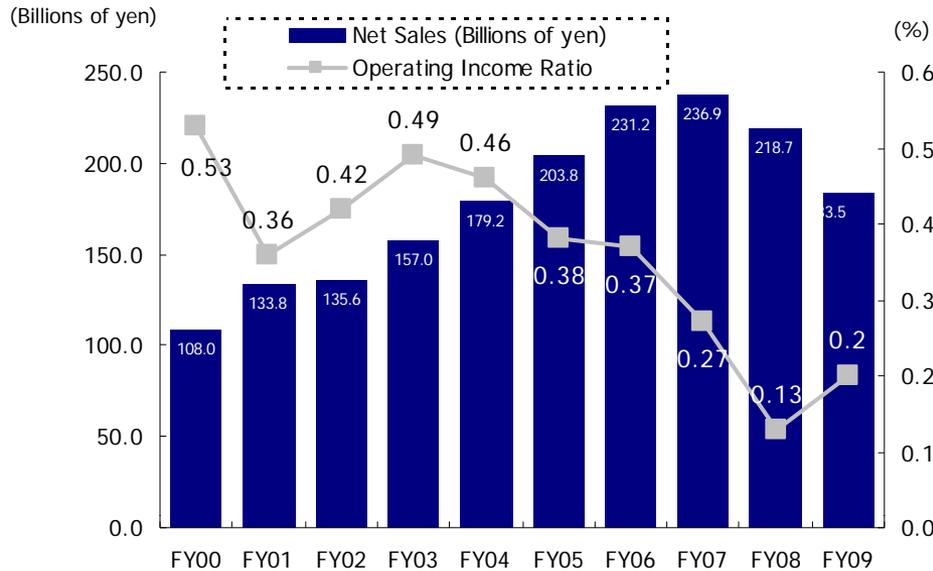
# Quarterly Earnings Trends by Business Segments

(Millions of yen)

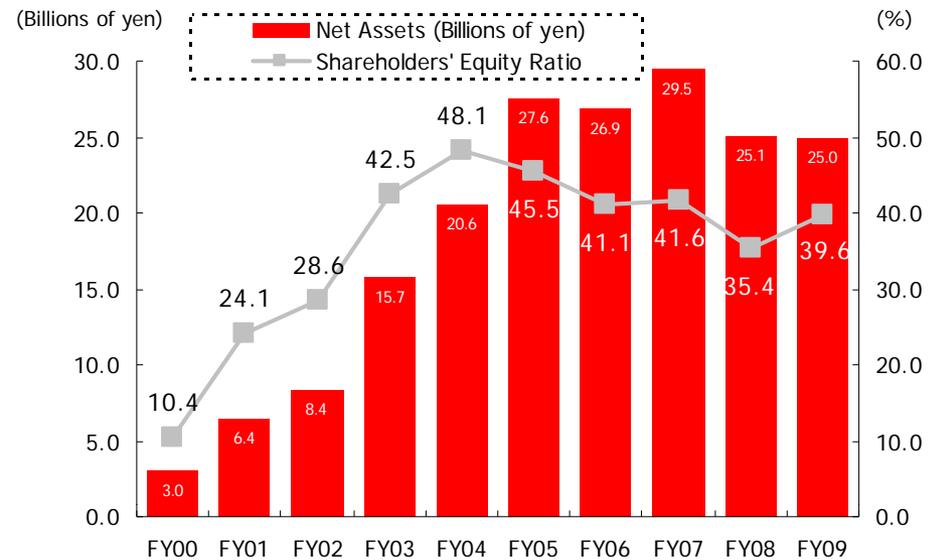
	Q1 (June to August)					Q2 (September to November)					Q3 (December to February)					Q4 (March to May)				
	FY07	FY08	YoY	FY09	YoY	FY07	FY08	YoY	FY09	YoY	FY07	FY08	YoY	FY09	YoY	FY07	FY08	YoY	FY09	YoY
<b>Sales</b>																				
Temporary staffing / Contracting	53,596	51,780	(3.4)%	40,396	(22.0)%	52,090	49,884	(4.2)%	37,842	(24.1)%	51,162	46,267	(9.6)%	36,533	(21.0)%	51,961	43,479	(16.3)%	37,355	(14.1)%
Placement / Recruiting	2,260	1,810	(19.9)%	823	(54.5)%	1,905	1,686	(11.5)%	595	(64.7)%	1,795	1,253	(30.2)%	604	(51.8)%	1,714	1,170	(31.7)%	952	(18.7)%
Outplacement	1,213	1,545	+27.3%	2,280	+47.5%	1,421	1,347	(5.2)%	2,899	+115.1%	1,588	1,307	(17.7)%	3,074	+135.1%	1,634	1,593	(2.5)%	5,228	228.1%
Outsourcing	3,217	3,693	+14.8%	3,432	(7.1)%	3,389	3,785	+11.7%	3,326	(12.1)%	3,486	3,638	+4.4%	3,455	(5.0)%	3,639	3,607	(0.9)%	3,577	(0.8)%
Other	472	655	+38.7%	1,020	+55.8%	498	632	+27.0%	1,101	+74.2%	574	793	+38.1%	1,174	+48.1%	571	922	+61.5%	1,161	25.9%
Eliminations & Corporate	(270)	(349)	-	(791)	-	(278)	(385)	-	(856)	-	(356)	(729)	-	(865)	-	(342)	(690)	-	(806)	-
<b>Operating Income</b>																				
Temporary staffing/ Contracting, Placement / Recruiting	1,384	1,112	(19.7)%	(154)	-	618	913	+47.8%	435	(52.4)%	1,613	484	(70.0)%	211	(56.4)%	1,440	782	(45.7)%	137	(82.4)%
Outplacement	226	434	+91.9%	616	+41.9%	361	184	(49.1)%	998	+442.2%	378	149	(60.5)%	926	+519.2%	411	257	(37.5)%	1,313	410.3%
Outsourcing	(72)	213	-	165	(22.4)%	550	545	(0.9)%	498	(8.6)%	929	828	(10.8)%	824	(0.5)%	476	548	+15.0%	764	39.4%
Other	(9)	(31)	-	(25)	-	10	55	+411.5%	(81)	-	(17)	53	-	28	(47.1)%	(10)	(65)	-	(41)	-
Eliminations & Corporate	0	(868)	-	(735)	-	1	(960)	-	(811)	-	(887)	(947)	-	(701)	-	(961)	(838)	-	(708)	-
<b>Operating Income Margin</b>																				
Temporary staffing/ Contracting, Placement / Recruiting	2.5%	2.1%	(0.4)pt	-	-	1.1%	1.8%	+0.7pt	1.1%	(0.7)pt	3.0%	1.0%	(2.0)pt	0.6%	(0.4)pt	2.7%	1.8%	(0.9)pt	0.4%	(1.4)pt
Outplacement	18.6%	28.1%	+9.5pt	27.0%	(1.1)pt	25.4%	13.7%	(11.7)pt	34.4%	+20.7pt	23.8%	11.4%	(12.4)pt	30.1%	+18.7pt	25.2%	16.2%	(9.0)pt	25.1%	8.9pt
Outsourcing	-	5.8%	+8.1pt	4.8%	(1.0)pt	16.2%	14.4%	(1.8)pt	15.0%	+0.6pt	26.6%	22.8%	(3.8)pt	23.9%	+1.1pt	13.1%	15.2%	+2.1pt	21.4%	6.2pt
Other	-	-	-	-	-	2.2%	8.8%	+6.6pt	-	-	-	6.7%	-	2.4%	(4.3)pt	-	-	-	-	-

Note: Account settlement for the 4th quarter of the fiscal year ended May 31, 2010 for each of the Outplacement and Placement & Recruiting businesses is an irregular five-month period due to an adjustment in the fiscal year-end following the merger between Pasona Inc. and Pasona Career Inc.

## Net Sales and Operating Income Ratio



## Net Assets and Shareholders' Equity Ratio



## Results

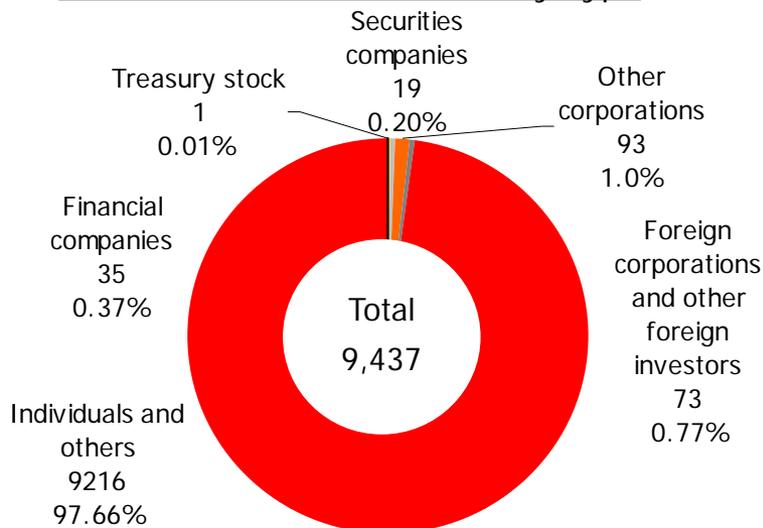
Key Indicators	'01/05	'02/05	'03/05	'04/05	'05/05	'06/05	'07/05	'08/05	'09/05	'10/05
Net Sales	108,031	133,822	135,625	156,979	179,156	203,815	231,231	236,945	218,699	183,515
Gross Profit Margin	20.8%	18.2%	19.7%	20.9%	20.8%	20.2%	20.3%	20.8%	19.9%	20.0%
SG&A Expenses	16,695	19,557	21,058	25,104	28,992	33,491	38,542	42,925	40,735	33,070
SG&A Expenses Ratio	15.5%	14.6%	15.5%	16.0%	16.2%	16.4%	16.6%	18.1%	18.6%	18.0%
Operating Income	5,742	4,786	5,687	7,648	8,238	7,745	8,507	6,444	2,850	3,660
Operating Income Ratio	5.3%	3.6%	4.2%	4.9%	4.6%	3.8%	3.7%	2.7%	1.3%	2.0%
Ordinary Income	5,464	4,222	5,373	7,329	8,289	7,844	8,807	6,637	3,361	4,044
Ordinary Income Ratio	5.1%	3.2%	4.0%	4.7%	4.6%	3.8%	3.8%	2.8%	1.5%	2.2%
Net Income (Loss)	(6,849)	1,974	2,027	3,647	4,363	3,588	4,198	2,962	312	204
Net Income Ratio	(6.3)%	1.5%	1.5%	2.3%	2.4%	1.8%	1.8%	1.3%	0.1%	0.1%
Total Assets	28,849	26,526	29,425	37,004	42,884	51,931	54,425	58,513	55,468	52,161
Net Assets *1	3,004	6,388	8,418	15,732	20,644	27,634	26,904	29,468	25,148	24,979
Shareholders' Equity Ratio *2	10.4%	24.1%	28.6%	42.5%	48.1%	45.5%	41.1%	41.6%	35.4%	39.6%
Current Ratio	114.3%	121.6%	122.3%	160.2%	182.8%	170.8%	152.1%	154.2%	129.6%	162.8%
Number of Employees (Does not include contract workers)	1,371	1,537	1,687	1,979	2,204	2,608	3,126	3,647	3,671	3,643

Notes: 1. Presentation of shareholders' equity amended to a net assets basis in line with changes to accounting standards and policies. Minority interests included in presentation of net assets since the fiscal year ended May 31, 2006.

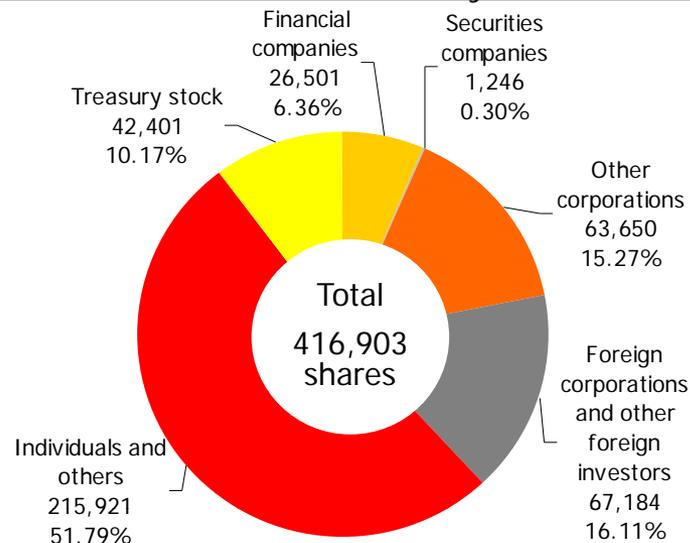
2. Despite changes in calculation methods for net assets following the introduction of changes to accounting standards and policies, the shareholders' equity ratio since the fiscal year ended May 31, 2006 is calculated utilizing an amount equivalent to net assets applicable to common shares.

3. The data for the periods up to and including the fiscal year ended May 31, 2007 are consolidated data for Pasona Inc. The data for the periods commencing the fiscal year ended May 31, 2008 and beyond are consolidated data for Pasona Group Inc.

## Breakdown of Shareholders by Type



## Breakdown of Shareholders by Number of Share Held



## Principal Shareholders

	No. of Shares Held	%
Yasuyuki Nambu	147,632	35.41%
Pasona Group Inc.	42,401	10.17%
Nambu Enterprise Inc.	35,688	8.56%
State Street Bank and Trust Company 505223	23,873	5.73%
Sanrio Company, Ltd.	12,000	2.88%
State Street Bank and Trust Company	11,595	2.78%
State Street Bank and Trust Company	9,273	2.22%
Mellon Bank N.A as agent for its client Mellon Omnibus US Pension	6,544	1.57%
State Street Bank and Trust Company 505103	6,233	1.50%
Japan Trustees Service Bank, Ltd. (Trust Account)	5,670	1.36%

1. The Company's treasury stock (58,253 shares, 13.97% of total issued shares) ranked second. In accordance with Article 308.2 of the Corporations Law, there are no voting rights attached to treasury stock.
2. Pasona Group received a notification from Harris Associates L.P., that it held 51,124 shares as of June 24, 2009 outlined the delivery of a Substantial Shareholding Report submitted to the Kanto Local Finance Bureau on July 1, 2009. As the Company is unable to confirm the number of shares held as of 30 November, 2009, Harris Associates L.P. has been omitted from the list of major shareholders identified.
3. Pasona Group held 58,253 shares, representing 13.97% of the total number of shares issued and outstanding, of treasury stock as of November 30, 2009. Of this number, 15,852 shares of treasury stock were retired on January 12, 2010. Accounting for the aforementioned, the number of treasury stock held as of February 28, 2010 was 42,401 shares, representing 10.17% of the total number of shares issued and outstanding.

Tokyo Stock Exchange, 1st Section 2168

Corporate Name	Pasona Group Inc.
Headquarters	Shin Marunouchi Bldg. 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-6514 Phone 03-6734-0200
Established	December 3, 2007 (Founding February 1976)
Paid-in Capital	5,000 million yen
Representative	Yasuyuki Nambu
Business Activities	Temporary staffing/Contracting Placement/Recruiting Outplacement Outsourcing Other (education, training and other)
Number of Employees	4,641 (Consolidated, Including Contract workers)
Group Companies	Subsidiaries 32, Affiliates 3
URL	<a href="http://www.pasonagroup.co.jp/english/">http://www.pasonagroup.co.jp/english/</a>

(As of May 31, 2010)